As of 11 a.m. ET **DJIA** 10325.42 ▲ 0.15% **FTSE 100** 5190.68 ▼ 1.05% **Nikkei 225** 9345.55 ▲ 2.91% **Shanghai Comp.** 3195.30 ▲ 3.20% **Hang Seng** 21821.50 ▲ 3.25% **Sensex** 16926.22 ▲ 1.77% **S&P/ASX 200** 4701.35 ▲ 2.83%

China's tight bank regulation generates reassuring vibes

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Is President Obama abandoning Taiwan?

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KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK. MENPEN R.I. NO: 01/SK/MENPEN/SCIJ/1998 TGL. 4 SEPT 1998

THE WALL STREET JOURNAL.

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 66 (India facsimile VOL. 1 NO. 127) * * ASIA Tuesday, December 1, 2009

DOWJONES A NEWS CORPORATION COMPANY

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Dubai World likely will sell trophies

By Stefania Bianchi

DUBAI—Nearly six months into its corporate restructuring, **Dubai World**, this city-state's flagship conglomerate, has mostly resisted selling off its trophy case of assets, from ports around the world to luxury hotels and a vintage cruise liner.

After last week's announcement from Dubai that it is requesting a delay in debt payments of state-owned Dubai World, the company may have less room to avoid a sale of some of its portfolio.

On Monday, the stock market in Dubai tumbled 7.3%, while that of neighbor Abu Dhabi plunged 8.3%, on concerns about Dubai's creditworthiness. The falls came before a top Dubai government official told state-run Dubai TV that the government won't guarantee the debt of Dubai World and said creditors should help it restructure as it struggles to deal with almost $60 billion of liabilities.

Meanwhile, Singapore-based **DBS Group Holdings** Ltd., southeast Asia's largest bank by assets, said its total exposure to Dubai-owned entities is about S$1.8 billion (US$1.3 billion), but Singapore's central bank said it doesn't expect the developments in Dubai to adversely affect Singapore's financial stability.

The commercial bank's announcement followed declarations by its two main rivals—**Oversea-Chinese Banking** Corp. and **United Overseas Bank** Ltd.—that they had insignificant exposures to the emirate's debt problems.

DBS said in a statement it "believes that the situation is manageable as a substantial portion of this [exposure] is to Dubai-owned companies operating in Asia that are sound, such as Labroy and South Beach, which is collateralized." The only credit cap-

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■ Dubai shares tumble 7.3% .26
■ Abu Dhabi to the rescue 21
■ Setback for Dubai ruler 20

Indonesia to drop case against antigraft agency officials

Agence France-Presse/Getty Images

Students in Jakarta Monday demonstrate in support of Indonesia's Corruption Eradication Commission. The country's state prosecutor, citing the need for harmony among law-enforcement agencies, will drop a widely condemned case against two commission deputies. **Page 6.**

India's economy expands by 7.9%

NEW DELHI—India's economic growth surged in the third quarter at a much faster pace than expected, increasing chances that the central bank will raise interest rates in January to head off a burst of inflation.

*By **Neelabh Chaturvedi**, **Mukesh Jagota** and **Prasanta Sahu***

Gross domestic product grew 7.9% from a year earlier in the July-September period, accelerating from a 6.1% expansion in the previous quarter and marking the fastest growth since the January-March quarter of 2008, the Central Statistical Organization said Monday.

The government didn't release quarter-on-quarter figures, but according to HSBC calculations, the economy grew at a 13.9% annualized pace from the previous quarter, likely its fastest pace since the government started releasing GDP data every three months in 1996.

Officials at the Reserve Bank of India and the Planning Commission, the country's top policy think tank, said they were likely to revise up their growth forecasts in response to the data, suggesting the strong performance surprised authorities.

"This is better news than we sort of expected," the RBI's new Deputy Governor Subir Gokarn told reporters.

The data underscore India's rebound from last

Please turn to page 9

Sharp plant reinvents Japan manufacturing

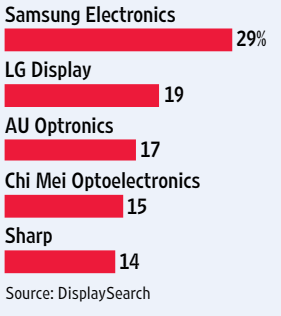
By Daisuke Wakabayashi

OSAKA—**Sharp** Corp.'s new production complex in western Japan is massive by any measure: It cost $11 billion to build and covers enough land to occupy 32 baseball stadiums. But it carries a meaning as large as its physical size. It is a litmus test for the future of Japanese high-tech manufacturing.

The facility, considered the most expensive manufacturing site ever built in Japan, started churning out liquid-crystal display panels in October, and Sharp's new flagship televisions featuring the energy-efficient LCD panels go on sale in the U.S. this month. Sharp moved forward the factory's planned opening by six months, saying the new plant would help it be more competitive.

Industry picture

Global LCD TV panel market share



Source: DisplaySearch

"When you look to the next 10 or 20 years, the existing industrial model doesn't have a future," Toshihige Hamano, Sharp's executive vice president in charge of the Sakai facility, said in an interview. "We had to change the very concept of how to run a factory."

Located in Sakai city along Osaka prefecture's waterfront, the complex represents Japanese industry's biggest gamble in LCD panels to remain competitive with rivals from South Korea, Taiwan, and China.

The factory's size accommodates two main factors. One is the size of the glass used to make the LCDs. Sharp is using the industry's biggest, or "10th generation," sheets, which allow the company to produce 18 40-inch LCD panels from a single substrate—more than double the eight 40-inch panels per sheet it uses at its other LCD television panel-making factory.

The other factor: Sharp has decided to try and cut costs by moving suppliers on site, a kind of hyper-"just-in-time" delivery system.

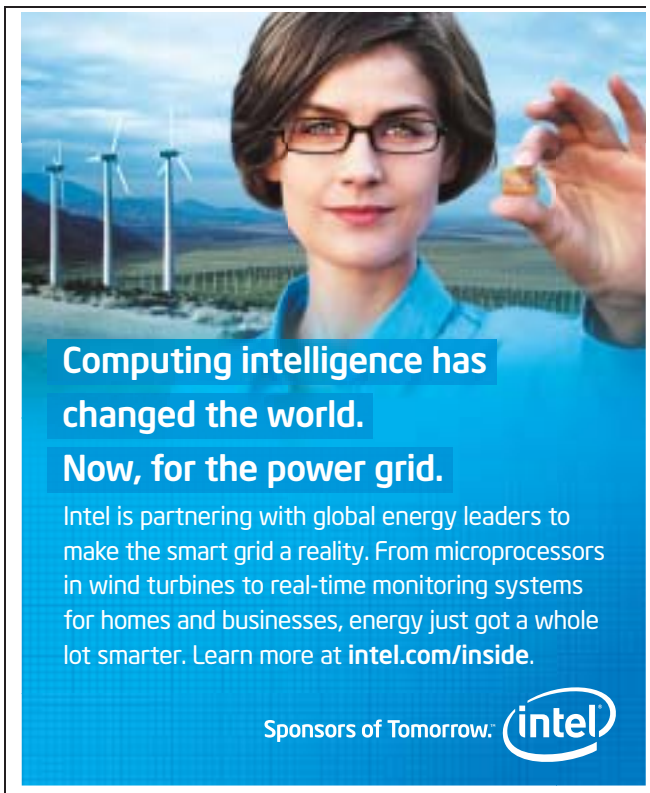
The plant currently employs 2,000 people—roughly half from Sharp and half from its suppliers—although the work force will ultimately reach 5,000 as it adds production of solar panels as well.

It remains to be seen whether it makes sense for Sharp to keep seeking ever more-sophisticated production in Japan, or, as competitors have, to simply use less advanced production techniques at lower costs in places like China.

CLSA research analyst Atul Goyal warned in a report in October that the company is making a mistake by "chasing technology" with the new factory.

In the past, such efforts by Japanese electronics makers

Please turn to page 9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What's News—

* * *

Business & Finance

■ **Japan passed into law** a conditional moratorium on loan repayments by small businesses and home owners, a move that opponents say may lead to an increase in bad loans on the books of the country's banks. **3**

■ **Sands China fell 10%** on its trading debut in Hong Kong, as investors worried about valuation and the debt the Macau unit of casino operator Las Vegas Sands has taken on to expand. **21, 34**

■ **Japanese bank** Mitsubishi UFJ Financial plans to raise up to $12.24 billion by issuing new shares to be priced this month. **27**

■ **U.S. stocks turned lower** amid concern about the pace of holiday sales and the potential fallout from Dubai World's debt problems. Financial shares led Asian stock markets higher. **29**

■ **Dubai shares slumped** on concerns about the city-state's credit worthiness after one of its flagship companies asked for a standstill on its debt. **26**

■ **Dubai World's suspension** of debt payments could curb demand for bonds from Asia. Only a handful of deals are likely before the end of the year. **28**

■ **Japan posted** another month of rising industrial production in October, but analysts warned of the effects of a strengthening yen. **6**

■ **British authorities** investigating Bernard Madoff's fraud are unlikely to prosecute anyone who worked at his U.K. business. **23**

■ **Aberdeen Asset Management** said it is winning new business and is in a good position to expand further, after reporting a sharp rise in assets it manages. **27**

■ **A partnership** of South Korean telecom company KT and private-equity firm MBK Partners was picked as the preferred bidder for Kumho Rent-A-Car. **22**

Reuters

Las Vegas Sands Chairman Sheldon Adelson and his wife, Miriam, at the Hong Kong Stock Exchange on Monday for the trading debut of Sands China Ltd.

■ **"Cyber Monday" shopping** appeared to get off to a strong start, thanks to promotions and high-tech marketing efforts. **24**

■ **Hedge funds are poised** to register their best investment returns in a decade, staging a remarkable turnaround as some of last year's worst-performing funds leap to the top of the tables. **33**

■ **U.S. aviation regulators** decided to allow more than 130 Boeing 777 jetliners to continue flying international trips through early 2011 with suspect parts. **22**

■ **Samsung said it is on track** to exceed its 2009 handset-sales target of 200 million units, partly helped by brisk sales of touch-screen hand-held devices. **23**

■ **New AkzoNobel boss** Hans Wijers has distinct vision of company's strategy and sees growth in emerging markets. **23**

■ **Aircraft maker** Hawker Beechcraft is trying to attract one customer that is still spending: the U.S. government. **24**

* * *

World-Wide

■ **Chinese and EU leaders** appeared to make little headway on currency, climate and market access in a round of high-level talks that ended Monday. **3**

■ **Officials in Afghanistan** expressed doubts about the expected U.S. plan to send more troops into the conflict. **4**

■ **China declared** two strains of genetically modified rice safe to produce and consume. Additional approvals are required for the rice to reach production. **7**

■ **Australia's Liberals split** over a climate plan, opening up a tussle for leadership of the nation's opposition party. **7**

■ **A crude-oil tanker** hijacked in the Indian Ocean was bound for a pirate stronghold on the Somali coast, raising new concerns about the impact pirates could have on the global oil market. **WSJ.com**

■ **Conservative Porfirio Lobo** won the Honduran presidency, five months after the last elected president was forced out of the country at gunpoint. **WSJ.com**

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Three Beijing cabbies received a special Thanksgiving gift -- certificates of appreciation from the White House for driving members of the President's team.

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Technology: LCD makers in Taiwan may need to team up. **10**

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THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 3595 7555; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

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China-EU talks produce scant results

By James T. Areddy

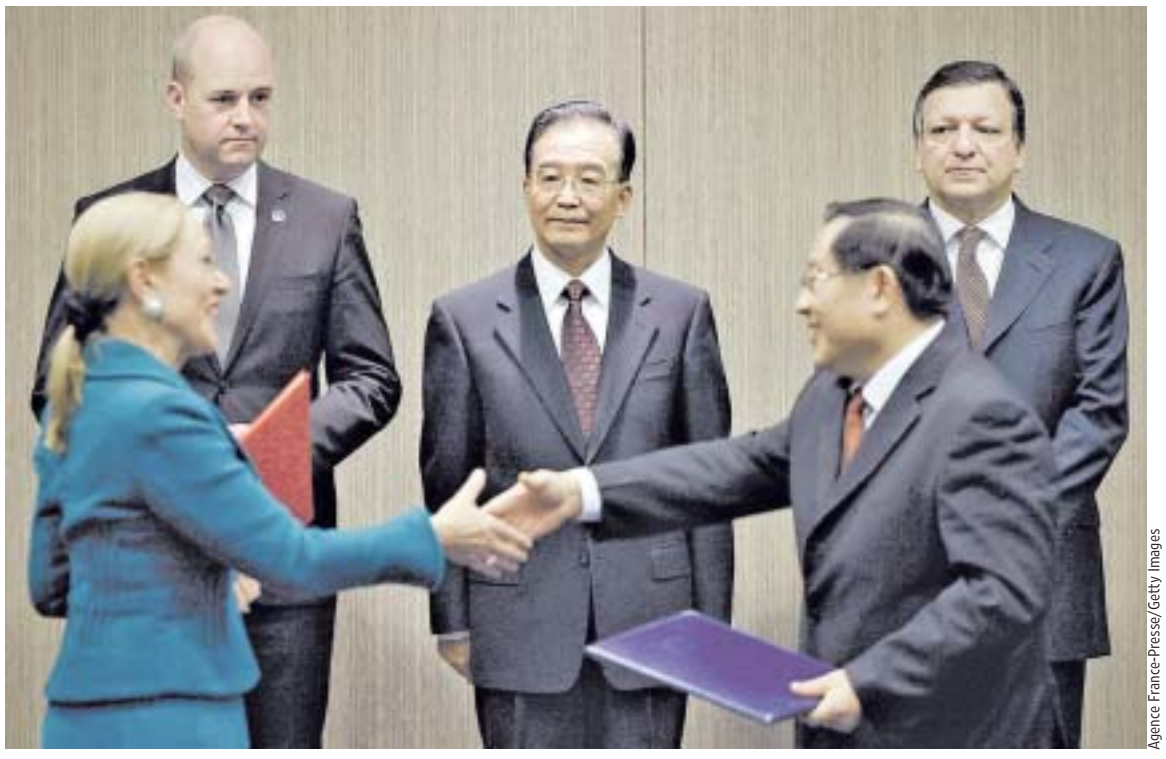
NANJING, China—Chinese and European Union leaders appeared to make little headway on currency, climate and market access in a round of high-level talks that ended Monday in this eastern Chinese city.

The two-day China-EU summit was billed as a chance for the two major trading partners to tailor exit policies from a year of global recession, as well as an opportunity to refine positions ahead of the Copenhagen conference on climate change. Instead, the two sides traded barbs over those issues plus others such as development strategies and human rights.

EU officials pressed their argument that Beijing could loosen the yuan's rigid exchange rate against the U.S. dollar to help rebalance the world financial system.

Addressing reporters after their formal meetings Monday, Chinese Premier Wen Jiabao, flanked by his European counterparts, responded to that call with a pointed assertion that the 27-nation bloc maintains trade policies to which China objects. "This is unfair," Mr. Wen said. "Their measures are restricting China's development."

Swedish Prime Minister Fredrik Reinfeldt, who is the current president of the European Council, the assembly of EU leaders, acknowledged Beijing's pledge last week to reduce the growth in its carbon emissions between now and 2020, but said it doesn't do enough to seal a global deal to keep the planet from warming. "We can't solve the climate challenges for mankind without China being part of the solution," he said.



Agence France-Presse/Getty Images

Despite smiles and handshakes between EU and Chinese representatives at the Nanjing summit, little was accomplished.

In a speech later to a Sino-European business conference connected to the summit, Mr. Wen highlighted what he called the "great cost to the resources of the whole world" from 200 years of industrialized nations' development. He listed ways China is not only supporting world economic growth during its own "difficult period," but also keeping its eyes on emission output controls. Its investments in hydropower and nuclear power, as well as the closure of dirty coal mines, he said, underscore "China's sense of responsibility to the Chinese nation and the entire human race."

The EU and China are among each other's largest trading partners. Each also endorses a multipolar world, preferring to address challenges in larger groups such as the Group of 20 nations.

Still, concrete action in Nanjing was limited to technical agreements covering areas such as construction codes and clean-energy research. A joint communiqué from the closed-door summit was light on specifics and signaled little sign of fresh momentum in the relationship.

The yuan's de facto peg to the dollar means it has depreciated significantly against the euro in recent months, even though many economists say there should be upward pressure on the yuan. The euro's strength against the yuan has remained vexing to European politicians, who worry the exchange rate limits buying power of the fast-growing Chinese economy at a time unemployment in EU markets is high. The yuan gained more than 20% against the dollar in the three years after China formally de-pegged the two currencies in mid-2005, but that did little to address exchange-rate issues with the euro, and the yuan's dollar peg was effectively re-established in mid-2008.

Mr. Wen reiterated that China "doesn't seek a trade surplus that is beyond a reasonable level." Instead, he highlighted Europe's barriers, like export limits on Europe's highest technology, and called for his counterparts to "fully unleash the industrial advantage of the EU."

The postsummit declaration didn't specifically mention currency dynamics. Instead, it said that to "effectively address the current economic and financial crisis, the two sides agreed to step up efforts to promote trade and investment and increase effective market access."

Japan eases rules on loan repayments

By Alison Tudor

Japan passed into law Monday a conditional moratorium on loan repayments by small businesses and home owners, a move that opponents say may lead to an increase in bad loans on the books of the country's banks.

The bill, which has been in the works since the Democratic Party of Japan came to power in September, was passed by the upper house of Japan's parliament on Monday, according to a spokesman at the Financial Services Agency.

The law is designed to encourage financial institutions to change the terms of loans when asked, though lenders aren't required to do so. Opponents believe it still could put public pressure on banks to forgive payments, leading to more nonperforming loans on bank balance sheets.

Small and medium-sized enterprises "account for just over 30% of bank borrowings in the U.S. but almost 70% in Japan," said Masatoshi Moriyama, senior economist at Mitsubishi UFJ Securities Co., in a recent report. "Japanese banks are in a tougher position than U.S. banks because they are under pressure to allow SMEs to defer debt repayments at a time when capital adequacy regulations are becoming tighter. We believe this may be one reason why Japanese stocks lag behind other markets."

Supporters of the bill have argued that the measure would give individuals and small businesses breathing room as Japan struggles to reinvigorate its economy.

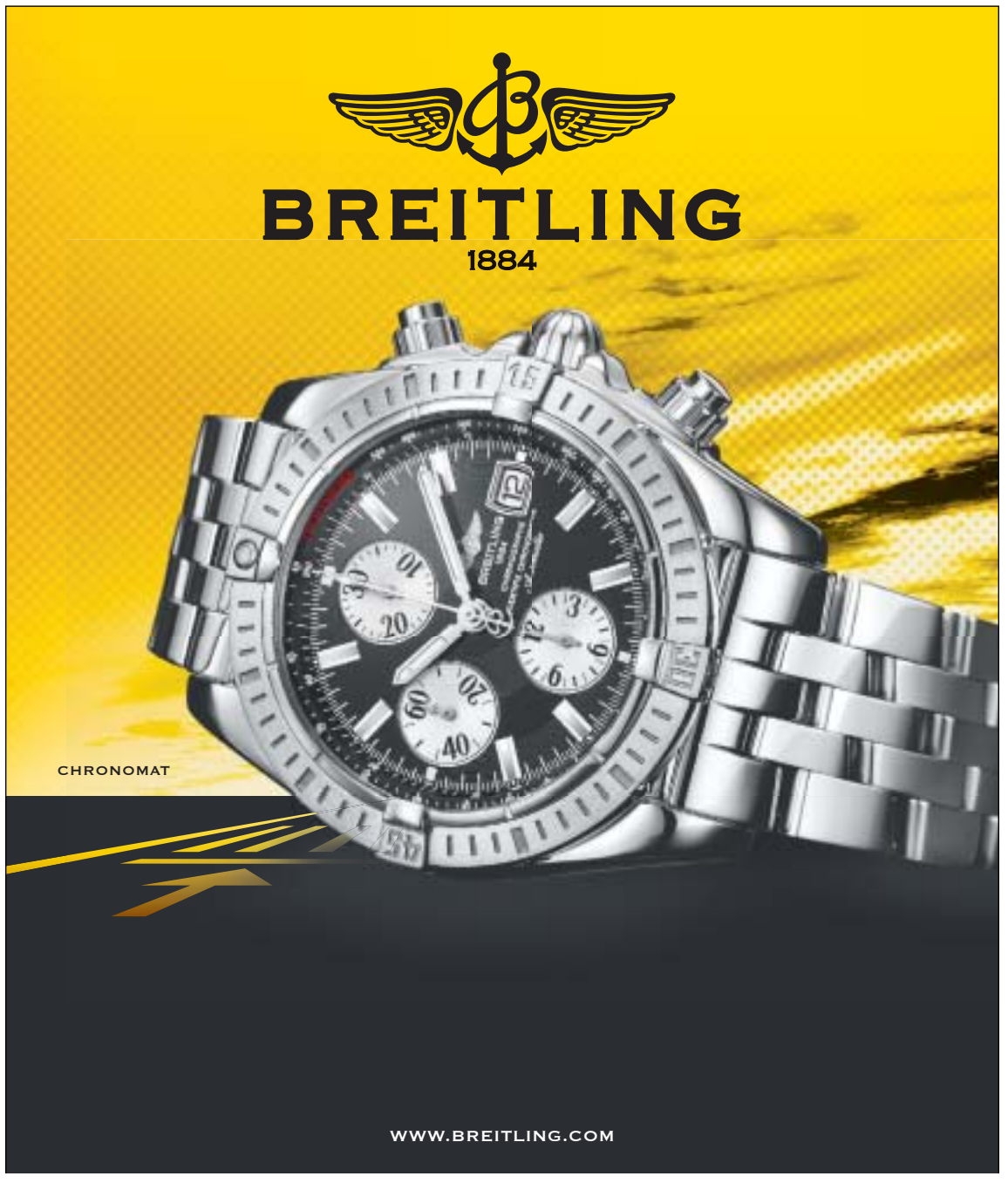
The FSA is planning to alter its inspection manual to make sure bankers carry out the spirit of the new law. The law may come into force by year-end and will expire on March 31, 2011, according to a statement by the FSA.

The shift highlights the balancing act Japan's new government is trying to strike. The DPJ is looking for ways to give breaks to companies at home, which face a softening domestic economy and the prospect of deflation. But easier loan standards could lead to a repeat of previous years, when Japanese institutions were saddled with bad loans made during boom times.

According to Japan's Financial Services Agency, the number of nonperforming loans among Japanese banks rose 5.3% to 12 trillion yen ($138 billion) in the fiscal year ended in March. Losses from disposing of nonperforming loans totaled 3.1 trillion yen, nearly triple the 1.1 trillion yen from the previous fiscal year.

The moratorium is the brain child of Financial Services Minister Shizuka Kamei. At one point Mr. Kamei called for a mandatory three-year grace period on loan repayments by small business. The move was intended to help small and medium-size businesses as well as people struggling to repay their mortgages.

The idea drew opposition from lenders worried that it could hit the heart of their business and lead to more bad loans. Japanese banking shares fell after Mr. Kamei began talking about it. Mr. Kamei's proposal has since been watered down.



Afghans oppose surge

Some officials close to Karzai say U.S. shouldn't send more troops

By Anand Gopal

KABUL—Doubts are rising among Afghan politicians that more U.S. troops can turn the tide of the war, as U.S. President Barack Obama prepares to unveil a new Afghanistan strategy that is expected to include an injection of roughly 30,000 reinforcements.

"We should focus on building the Afghan security forces, not sending more troops," said Sebgatullah Sanjar, the chief policy adviser for Afghan President Hamid Karzai.

Mr. Obama is expected to outline his plan to alter the course here on Tuesday, in an address at the U.S. Military Academy at West Point. Afghanistan has been beset by a resilient insurgency and poor governance, and while the U.S. strategy is expected to focus on more than just the military dimension, the troop increase is likely to be a central component.

By sending more troops, the allies hope to push the Taliban back from areas where it has been operating freely for years and impede the insurgent's ability to operate. This would create the space needed to bring development and begin to win over a war-weary population that is suspicious of the U.S.

A minority in the government, such as the interior minister and certain leading officials in the Afghan security forces, has spoken publicly in favor of the increase. Moreover, many from the peaceful non-Pashtun areas welcome the troop increase as a way to keep insurgents at bay.

U.S. authorities contend that Afghan government officials who disapprove of the troop increase are apportioning blame to deflect attention from their own shortcomings. "It's poor governance more than anything else that has put us in this situation," said a Kabul-based U.S. official.

U.S. authorities also said they are working to minimize civilian casualties and that in order to bring the political and economic improvements that Afghans desire, a military thrust to push back the Taliban is necessary.

Moreover, they say that the alternative espoused by opponents to the troop increase—concentration on the development of the Afghan forces—is premature. "It could take some years before the Afghan security forces are able to stand on their own," said Capt. Bill Spurlock, who is involved in overseeing the training of Afghan army recruits.

Associated Press

Lt. Dan Jindrich patrols in Logar province, in eastern Afghanistan.

Mr. Obama is expected to talk about Afghan troops in his speech Tuesday, but not specify a target for expanding ther ranks.

The Afghan army has made many strides, but is still plagued by lack of experience and illiteracy. The Afghan police force is even less capable and is widely accused of corruption and inefficiency. On Sunday, a rogue police officer opened fire on his comrades, killing six and wounding two. The incident comes less than a month after a police officer killed five British soldiers in a similar attack.

A troop increase could provide the space and support needed for the Afghan forces to develop, U.S. officials said. Until the Afghan government and the security sector show reforms, officials in Washington said, an increase in the size of the Afghan forces is unlikely.

Several senior Afghan officials said the U.S. should deploy troops only to the porous border with Pakistan and not the country's interior. Many tribal heads and local leaders from the Pashtun south and east—the heartland of the Taliban insurgency—called for troop withdrawal.

"I don't think we will be able to solve our problems with military force," said Muhammad Qasim, a tribal elder from the southern province of Kandahar. "We can solve them by providing jobs and development and by using local leaders to negotiate with the Taliban."

Such views could pose a challenge to the U.S., which would require the support of the Pashtun population in order to succeed. "People are starting to view the Americans as occupiers, and in that context more troops would be risky," said Hanif Shah Hosseini, a lawmaker from Khost province.

Officials cite night raids, civilian casualties and lack of development as reasons why the standing of U.S. troops has lowered in some Afghans' eyes. When the U.S. forces enter an area, the levels of violence generally increase, causing anger and dissatisfaction amongst the local population. Some officials point to previous troop increases, such as an injection of 21,000 troops in the spring, and say they have failed to quell the insurgency.

"If new troops come and are stationed in civilian areas, when they draw Taliban attacks civilians will end up being killed," said Gulbadshah Majidi, a lawmaker and close associate of Mr. Karzai. "This will only increase the distance between Afghans and their government."

In the volatile southern city of Kandahar, where many of the new troops are expected to head, locals said they will be glued to their radio sets on Wednesday morning to hear news of Mr. Obama's new strategy.

"If we get more troops, there will be more bloodshed," said Noor Muhammad, a shopkeeper. "Only Afghans themselves can solve this problem."

—Habib Zahori contributed to this article.

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Associated Press

U.S. troops talk with villagers in Logar province last month. Roughly 30,000 reinforcements are expected to deploy to Afghanistan.

Sky Canaves/The Wall Street Journal

Official feasting is taking a toll on many of China's bureaucrats.

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CHINAREALTIMEREPORT

*China Real Time Report (**http://blogs.wsj.com/chinarealtime**), The Wall Street Journal's new online resource for keeping readers in touch with the world's largest country, this past week examined topics ranging from the savings glut to online games and the ailments plaguing bureaucrats. Excerpts:*

Nailing the Real Source of Chinese Savings

Don't blame the frugal Chinese consumer for creating the savings surplus that fed the U.S. credit binge and inflated the subprime bubble, says Jonathan Anderson, the emerging markets guru at UBS.

The real culprit is Chinese industrial enterprises, mostly government-owned, says Anderson, writing in the November edition of Far Eastern Economic Review (which, like The Wall Street Journal Asia, is published by Dow Jones & Co.).

In fact, Anderson argues, by any measure Chinese consumers are far from frugal: over the past five years they've been madly buying everything from autos to apartments to restaurant meals.

The trouble is that industrial giants have been even busier selling. They ramped up investment in steel and aluminum plants, auto parts and machine-tool ventures to feed gigantic domestic construction and auto booms. Then, when they ran out of local customers, they turned their sights on global markets and exported their surplus capacity in what Anderson calls a "historically unprecedented 'market-share-grab.'"

Industrial enterprises, concludes Anderson, are the real cause of China's savings glut.

If Anderson is right—and he usually is on China—the remedies are quite different to those being peddled by everybody from the International Monetary Fund to McKinsey. Conventional wisdom says China needs to encourage domestic demand through means such as improving health and welfare services or issuing more credit cards. Anderson says the real answer is for China to reduce supply. Industrial firms must hand back their "stolen" savings.

—Andrew Browne

China to Reach 50% of Game Market?

Games are serious business in China. The country's online game market will reach about $6 billion by 2012, accounting for half the global market, according to new data from Cnzz.com Inc., a Beijing-based analysis firm.

The report says almost two-thirds of China's 338 million Web users are now online game players. It says the online game industry, which accounts for more than half of the total Internet economy, will see strong annual growth averaging 20% in future years.

The main attractions remain Massively Multiplayer Online Role Playing Games. In October, they accounted for six of China's 10 most popular online games.

—Juliet Ye

Pity the Unhealthy Chinese Bureaucrat

China's bureaucracy is unhealthy, bloated, irritated and basically substandard.

So says a new privately run study on the health of civil servants. Local media have been breathlessly summarizing the study, which says some 98.5% of bureaucrats suffer from poor health.

The findings are gleaned from a white paper published jointly by a Beijing-based chain of clinics, Ciming Checkup Group, and the related Beijing Health Association, as well as an arm of the People's Daily newspaper, the reports said.

Many of the common ailments are those of over-indulgence. Some 40.7% are overweight and 34% reported cervical spondylosis (abnormal wear on the cartilage and bones of the neck).

—James T. Areddy

Former Ambassador Advises on Private Equity

George W. Bush's man in China is now Fang Fenglei's man in China.

Clark T. "Sandy" Randt Jr., U.S. ambassador under President Bush, has been named special advisor to Hopu Investment Management, a $2.5 billion private equity fund set up by Fang, a well-connected Chinese banker, with backing from Singapore's Temasek Holdings and Goldman Sachs.

Randt, the longest serving U.S. envoy to Beijing, knows his way around China. He also knows how to cut deals from previous work as a lawyer overseeing Shearman & Sterling's China practice.

—Rick Carew

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Arroyo says she will run for Congress

President's move could spawn a bid to make the Philippines a parliamentery democracy with her as prime minister

By James Hookway

President Gloria Macapagal Arroyo on Monday revealed plans to run for the Philippines' Congress in 2010—a move that could shake up the country's political landscape ahead of national elections due next year.

She is barred by term limits from seeking re-election as president in May's vote. Mrs. Arroyo's decision to seek a seat in the country's legislature is reviving speculation that her influential Lakas Kampi CMD Party wants to transform the Philippines into a parliamentary democracy—a change that, if enacted, could allow her to return to power as a prime minister of this important U.S. ally.

Mrs. Arroyo, 62 years old, has advocated constitutional change to allow for a parliamentary system for several years. She argues that such a setup would be more responsive to the needs of voters and the economy than the current presidential-style system, which she says is prone to military coups and popular upheavals.

In January 2001, Mrs. Arroyo herself came to power amid huge public protests. Her predecessor, former President Joseph Estrada, was effectively ousted when the armed forces turned against him following the collapse of an impeachment complaint against him in the country's Senate.

Although there is already strong momentum for constitutional change in the country's House of Representatives, political analysts say it could take years to redraft the Philippines' constitution to allow a parliamentary form of government because of opposition in the Senate and strong public suspicion of the proposal.

A sociology professor at the University of the Philippines, Randy David, briefly planned to run for Congress in a district in Pampanga province, where Mrs. Arroyo has been expected to run. But he dropped out Monday, saying that Mrs. Arroyo was aiming to be installed eventually as prime minister.

Mrs. Arroyo sidestepped the allegation Monday in an interview with local radio station DZRB, saying "that situation is so hypothetical I won't even bother to speculate about it."

Instead, Mrs. Arroyo said she had realized she just wasn't ready to give up political office. "As you know, people from my province of Pampanga have asked me to stay in public service, so, after much soul-searching, I have decided to respond affirmatively to their call," she said.

Mrs. Arroyo is the first Philippine president to run for the House of Representatives, and initial indications suggest her congressional campaign could be as divisive as her presidency.

After being sworn in after Mr. Estrada's ouster, Mrs. Arroyo survived four impeachment attempts and a number of attempted coups. In 2004, she was re-elected president amid allegations of electoral fraud—she denies any wrongdoing—only to find herself consistently rated the least popular president since late dictator Ferdinand Marcos, who was thrown from power in 1986.

Still, Mrs. Arroyo has won some admirers for her economic policies—especially for efforts to push up tax collections in 2005 while the country teetered on the verge of fiscal crisis. Political analysts say she is an important supporter of the U.S. in Southeast Asia.

During her presidency, U.S. soldiers have traveled to the Philippines to provide surveillance for and train Filipino soldiers tasked with hunting down members of the al Qaeda-backed Abu Sayyaf terrorist group. The success of the joint mission—the Abu Sayyaf group has seen its numbers dwindle to just a few hundred from over 2,000—has encouraged peace talks with other Muslim separatist groups in the southern Philippines and limited the scope for other terrorist organizations to operate in the region.

In recent days, however, Mrs. Arroyo has come under stiff criticism for her government's policies of arming local clan leaders to contain Muslim insurgents in the southern Philippines. The flak follows a clan rivalry that allegedly led to last week's massacre of 57 people there.

The main suspect—a mayor named Andal Ampatuan Jr.—is detained in Manila. No charges have been placed against him and he has denied involvement in the killings.

Associated Press

Philippine President Gloria Macapagal Arroyo, center, greeted people from her hometown who came to Manila on Friday to urge her to run for public office in May.

Japan production climbs

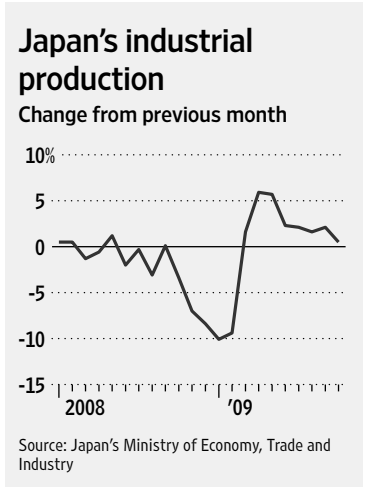
By Andrew Monahan

TOKYO—Japanese industrial production rose for the eighth straight month in October on the back of the nation's gradual economic recovery, and looks set to grow further through December as manufacturers said they would continue to increase output.

But if the yen continues to strengthen against its major rivals, Japanese companies could be forced to start cutting production as the stronger currency dents their competitiveness in overseas markets, analysts said.

Bank of Japan Gov. Masaaki Shirakawa also said for the first time Monday that Japan's economy is in a state of deflation, something the government had acknowledged last month, but which the central bank hadn't mentioned specifically.

Industrial output rose 0.5% in October from the previous month, much lower than forecasts for a 2.5% increase. The figure was also lower than the revised 2.1% increase in September, the Ministry of Economy, Trade and Industry said.



Source: Japan's Ministry of Economy, Trade and Industry

Meanwhile, Japan's automobile production and exports fell from a year earlier for the 13th consecutive month in October as shipments to major markets declined.

A slight cooling in demand from China for infrastructure-related products was partly to blame for the lower-than-expected output result, said Mizuho Research Institute economist Hirokata Kusaba.

"China has been demanding a lot of steel, chemicals and other materials lately, and there appears to have been a slight pullback in October," he said. But the Chinese government's decision Friday to maintain economic stimulus measures through 2010 is likely to keep Chinese demand for Japanese products from slowing much further, Mr. Kusaba added.

In October, a 5.7% month-to-month rise in general machinery and a 2.7% rise in information technology equipment such as mobile phones led the overall increase in output. Shipments were up 1.3%, while inventories fell 1.5% in October, as the inventory ratio was flat, the data also showed.

Also encouraging in October's data was the manufacturers' outlook for the rest of the year, with an expected 3.3% increase in production in November and 1% in December, the data showed.

Indonesia to drop graft-fighters' case

Reuters News Service

JAKARTA—Indonesia's state prosecutor will drop a widely condemned case against two antigraft officials, a deputy attorney general said Monday, citing the need for greater harmony between the country's various law-enforcement agencies.

The case against Chandra Hamzah and Bibit Samad Rianto, two deputies at the Corruption Eradication Commission known as KPK, has prompted widespread public anger at police and state prosecutors, and has embarrassed President Susilo Bambang Yudhoyono by raising questions about his commitment to sweeping reforms.

It has also highlighted a bitter power struggle between the respected KPK, which has been at the forefront of the fight against corruption, and the police and attorney general's office.

Messrs. Hamzah and Rianto were accused of bribery and abuse of power, and detained, but an independent investigation in November concluded that police had insufficient evidence against them and that officials in the police and attorney general's office had tried to frame the two.

The president responded by promising to tackle legal reform and asked the police and state prosecutors to drop the case. But it has still taken several days for the attorney general's office to heed Mr. Yudhoyono's request, leading to mounting public frustration.

Marwan Effendy, deputy attorney general for special crimes, said that state prosecutors from South Jakarta would issue letters on Tuesday to stop the case, adding that the move was intended "to maintain harmony among the various legal institutions, the KPK, the attorney general's office, and the police, in order to eradicate corruption."

Modified crops clear hurdle in China

By Andrew Batson And James T. Areddy

China's government declared two strains of genetically modified rice safe to produce and consume, taking a major step toward endorsing the use of biotechnology in the staple food crop of billions of people in Asia.

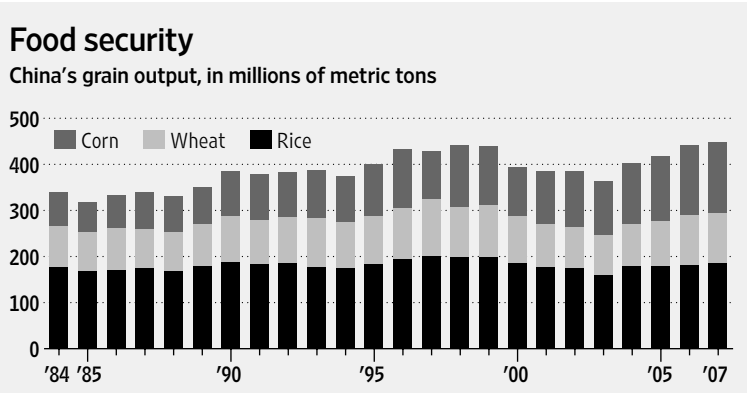
In a written reply to questions from The Wall Street Journal, China's Ministry of Agriculture said Monday that it had issued safety certificates to domestically developed strains of genetically modified rice and corn, after a years-long process involving trial production and environmental tests. Further approvals are required before the strains can be grown on a commercial scale, the ministry said, and industry participants said it may take two to three more years for the rice to reach production.

Foreign companies that produce genetically modified crops welcomed the news, which could eventually pave the way for approvals in China of more of their products. "It's good news in the context of commercial introduction of biotechnology in crops in China," said Andrew McConville, the Singapore-based head of corporate affairs in Asia for **Syngenta** AG, a Switzerland-based agribusiness company.

China is the world's top producer and consumer of rice, so its use of modified varieties has the potential to alter the grain's global supply patterns. Widespread production has the potential to complicate trade with places such as Europe that restrict genetically modified foods. On the other side, U.S. companies have been urging China to speed up its approval process for genetically modified crops. A spokeswoman for **Monsanto** Co., the world's biggest producer of genetically modified seeds, which has received Chinese licenses for some of its genetically modified varieties, didn't reply to a request to comment.

Reuters

A worker carries sacks of rice at a market in Anhui province last week. China's recent approval of two strains of genetically modified rice may have global effects.



China's officials have been less constrained by public pressure over the sometimes-controversial use of biotechnology in food than officials in other countries. The government has long supported research into agricultural biotechnology as part of a drive to ensure the nation remains self-sufficient in staple crops.

"This is an important achievement in independent intellectual property from our country's research into genetic modification technology, and creates a good basis for commercial production," the Ministry of Agriculture said.

Genetically modified corn, cotton and soybeans are grown in the U.S., Canada, Argentina and other countries, but genetically modified rice has so far not been grown on a major scale anywhere. Most such crops now available, including the ones developed in China, have been modified to resist pests or herbicides—traits that appeal to farmers eager to boost output.

More recent efforts at genetic modification have aimed at creating benefits more noticeable to consumers. The International Rice Research Institute in the Philippines has been working on developing so-called golden rice, which is genetically modified to include vitamin A. It hopes to have the rice strain, which it says could help combat childhood malnutrition, on the market by 2011.

—Gao Sen contributed to this article.

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Australia cap plan falters

By Rachel Pannett

CANBERRA—The fate of Australia's proposed plan to cap greenhouse-gas emissions remained uncertain Monday as the country's main opposition party descended into confusion over whether to support the plan.

The opposition Liberal Party is sharply divided over the plan, which aims to reduce Australia's emissions by at least 5% from turn-of-the-century levels by 2020. That division has led to a tense battle for control of the party's top leadership post, and a possible vote for the position Tuesday. The outcome of that contest will likely determine whether a final climate bill can be resolved.

On Monday, conservative-faction leader Tony Abbott, an opponent of the emissions proposal, confirmed his intentions to contest the party leadership in a possible vote on Tuesday. If he wins and assumes the top post, Mr. Abbott said he would seek to refer the climate bill to a Senate committee, delaying its passage until at least February, when Parliament resumes after a long summer recess.

That would be a serious setback for Prime Minister Kevin Rudd, who was in Washington on Monday to meet with U.S. President Barack Obama and earlier appeared to have the votes locked up to secure the program's approval.

Local media, meanwhile, reported that another candidate, Joe Hockey, was also considering a party leadership tilt. Mr. Hockey, who has stated his support for a carbon-emissions program, wouldn't confirm or deny whether he would run for the leadership should a ballot be held Tuesday.

The current Liberal Party leader, Malcolm Turnbull, could survive to continue leading his party—and it is possible that no vote will be held at all. Mr. Turnbull has said he would support the latest compromise climate plan introduced by Mr. Rudd.

The machinations underscored the deep divisions within Australia's opposition ranks over a volatile issue central to Mr. Rudd's center-left Labor government. Like the U.S., Australia has a heavily industrialized economy that has previously resisted capping emissions for fear it could crimp economic growth. An earlier emissions plan was rejected in August.

But business leaders are now calling for lawmakers to settle the issue as uncertainty around the program is hampering firms' ability to make investment decisions, particularly in the electricity sector.

After weeks of negotiations, Mr. Rudd reached an agreement a week ago with Mr. Turnbull to support an amended carbon-reduction proposal that included billions of dollars in compensation for affected industries. A vote of approval was expected within days until disgruntled members of the Liberal Party's conservative right faction vowed to block it.

Mr. Rudd's government needs extra votes in the Senate, where it lacks a majority, to pass a final program. For now, though, the package seems to be stalled. Australia's Parliament had been due to adjourn for the year this past Thursday, but has been extended to continue debating some 295 amendments to the climate package that were drafted as part of negotiations with the opposition. Lawmakers agreed Monday to continue debate through this week.

If the package is ultimately defeated, under Australian electoral laws Mr. Rudd can call an early election of both houses of Parliament. Provided Mr. Rudd won such an election—which polls suggest he would—he would likely be able to pass the plan through a joint sitting of both houses.

Australia accounts for only about 1.5% of global emissions, so any carbon-reduction program would be largely symbolic in terms of the broader global picture. But climate-change advocates are watching the country's debates closely because they say the approval of an emissions program here would put further pressure on countries such as the U.S. to accelerate their plans to approve their own carbon-reduction schemes.

It is still possible Mr. Rudd could prevail in the coming days. If passed, his plan would see Australia introduce in July 2011 a market-based carbon-trading scheme, similar to one operating in Europe since 2005, that would force the nation's biggest polluters to pay for their greenhouse-gas emissions.

Don Voelte, chief executive of Australian natural-gas producer Woodside Petroleum Ltd., said Monday that passing the carbon program would provide industry with certainty at a time when there is significant local and foreign interest in investing in new liquefied natural-gas capacity in the country. Although the carbon program will add costs to the company's Australian projects, the latest amendments made after weeks of negotiation with opposition lawmakers mean the sector has had a "fair hearing," he said.

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WORLD NEWS

Possibilities emerge for Obama's diplomacy push to pay dividends

[Capital Journal]

By Gerald F. Seib

In almost a year in office, President Barack Obama has invested heavily in the Bank of Diplomacy and International Engagement—and waited awkwardly for some return, any return, on that investment.

Maybe he is finally starting to get some.

One sign will come Tuesday night when the president addresses the U.S. on his strategy in Afghanistan. He will disclose how many additional American troops he will send to try to turn around the trend lines in that troubled land; something in the neighborhood of 30,000 seems likely.

Almost as important, though, will be what the president says about the fruits of his administration's intense diplomatic overtures to get allies to increase their own troop levels.

The rise in troops from other nations in the North Atlantic Treaty Organization likely will be modest. The administration once had hoped it would approach 10,000, which, combined with 30,000 or so U.S. forces being added, would have reached the rough level Gen. Stanley McChrystal, the U.S. commander, had sought. Obama aides say the total additions from NATO nations, as well as from some other countries in the international force in Afghanistan, more likely will be somewhere "north of 5,000."

Bloomberg News

President Barack Obama will address the U.S. on his Afghanistan strategy Tuesday.

Still, Pentagon officials said over the weekend they are satisfied, if only because even a modest NATO increase represents a renewed political commitment to the enterprise, and a turnaround of the previous trend line among allies, which had them moving out of rather than further into Afghanistan.

The second area where the president may finally be getting some return on investment is climate change. The payoff came in the form of China's weekend announcement that it would set a specific target to limit its emissions of greenhouse gases. In his visit to China last week, Mr. Obama had sought some kind of commitment from the Chinese, who waited until he was gone to provide it.

China's plan is underwhelming; it amounts to a promise to slow the rate of growth of the greenhouse gases it emits in coming years, rather than a cut in the level of emissions. And the Chinese still say they want the West to help pay for China's moves to cut emissions, which is, to put it mildly, going to be a tough sell. Yet the underwhelming nature of the commitment actually may be a blessing in disguise for Mr. Obama, because it makes the target he set for the U.S.—a 17% cut from 2005 levels by 2020, less than European nations had sought—look fairly ambitious.

If nothing else, the Chinese commitment to some tangible target probably will allow the international summit on climate change in Copenhagen Dec. 9, which Mr. Obama will attend, to come off without diplomatic calamity.

The third, and most important, area to watch is Iran. The key moment there also came over the weekend, when Russia and China joined 23 other nations on the International Atomic Energy Agency's board of governors to censure Iran for failing to live up to international demands to open up its nuclear program.

In and of itself, a censure from a United Nations agency such as the IAEA is usually worth roughly the paper it is written on. In this case, though, the censure was a necessary precursor to the move that really matters: a vote at the U.N. Security Council to impose new economic sanctions on Iran. The Chinese and Russian assent to the IAEA rebuke doesn't guarantee they will support stiff new sanctions, but it is a positive leading indicator and the most positive sign of consensus in several years.

Mr. Obama has, of course, been personally pressing the leaders of China and Russia hard on that matter, and the real results won't be known unless and until the Security Council gets down to sanctions business, likely early next year. If anything, though, the Iranians are helping to make Mr. Obama's case for him with their reaction to the IAEA rebuke. In the equivalent of a diplomatic temper tantrum, Iran said Sunday that it plans to build 10 more uranium-enrichment facilities and may pull out entirely of the Nuclear Non-Proliferation Treaty, the holy grail for the IAEA.

It is hard to imagine a reaction that would make it more likely that Russia and China will go along with sanctions.

The important thing to remember is that U.S. officials view whatever the Security Council does on sanctions as a starting point, not the finish line. A Security Council resolution would represent a kind of international seal of approval that Washington could use to work with other industrialized nations to go further in isolating Iran's financial system—the approach many American analysts think has the greatest impact in pinching Tehran's leaders.

In the end, of course, Afghanistan will remain largely America's problem, and developing countries such as China are unlikely to do anything on climate change that they think is fundamentally counter to their own interests. Iran is the real international challenge—and the one that poses the true, and continuing, test of diplomacy.

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Critical decisions loom on many U.S. initiatives

By Jonathan Weisman

WASHINGTON—A cascade of events this week, involving high-profile topics from Afghanistan to health care to jobs, is challenging the Obama White House's strategy of launching so many initiatives so fast in its first year.

President Barack Obama will make public Tuesday a potentially defining foreign-policy decision: an escalation of the war in Afghanistan. A national health-care plan, his signature domestic-policy initiative, reaches the Senate floor the same day. Two days later, the president hopes to tackle an issue pressing to many Americans—and his restless party—with a "jobs summit."

Meanwhile, deadlines set months ago on arms control and tax policy will come Saturday, and are likely to be missed.

The convergence of critical decisions leaves the White House open to criticism that Mr. Obama tried to do too much, too fast, and now can't devote his attention to getting the deals done.

David Axelrod, a senior White House adviser, downplayed any immediate outcomes from the difficult week as "far less important than execution in the long run," which he said is how "the administration will be judged."

White House Chief of Staff Rahm Emanuel—who added efforts to isolate Iran's nuclear program to the week's agenda—defended the "Big Bang" approach to the administration's first year. In an interview, he contended that on each front "we're in a better position than we were when we began," citing progress on a health-care bill, shifting resources to Afghanistan from Iraq and moving toward imposing sanctions on Iran.

One deadline, to complete a nuclear arms-control accord before the existing Strategic Arms Reduction Treaty expires Saturday, will almost certainly be missed, officials concede. Negotiators now hope to complete a treaty in time for Mr. Obama to announce it in Scandinavia when he picks up his Nobel Peace Prize on Dec. 10.

Sen. Jon Kyl (R., Ariz.), a leading conservative voice on arms-control issues, put the White House on notice this month he would be skeptical of any deal to replace the existing START accord with Russia, saying the president is rushing the issue.

White House economist Austan Goolsbee said the President's Economic Recovery Advisory Board will miss a Dec. 4 deadline to complete a report on options for simplifying the tax code and overhauling the way corporations pay taxes.

The panel had received more than 500 "serious" submissions before cutting off the comment period, he said. Former Federal Reserve Chairman Paul Volcker, who heads the panel, wrote on the White House Web site that he decided to reopen the comment period and consider "the widest possible range of ideas."

Martin Feldstein, a conservative economist and lead member of the panel's tax group, said the effort is serious and on track, despite the delay.

The one area where the White House is openly nervous is the nation's worsening unemployment picture. The president meets with business leaders on jobs Thursday, then heads to Allentown, Pa., Friday to try to connect with voters reeling under a moribund job market.

FROM PAGE ONE

Sharp plant reinvents manufacturing

Continued from first page
have resulted in costly capital investments, only to be confronted with limited appetite for cutting-edge technology and then eventually outflanked by a cheaper alternative.

Even Sharp's Mr. Hamano acknowledged that the company only gave the green light to proceed during a boom period for LCD-panel demand, and that a similar choice might not be made in today's market.

Rival **Samsung Electronics** Co. has said it is looking into building a new LCD-panel factory using even bigger glass sheets than Sharp, while **LG Display** Co. has said it plans to build a new factory in China using current glass size.

Sharp announced the Sakai project two years ago when LCD demand was surging and the company had produced five straight years of record profit. When consumer spending ground to a halt in late 2008, Sharp didn't cut costs and curb production quickly enough. Saddled with excess inventory, Sharp posted the first annual loss in nearly 60 years in the fiscal year ended March 31, 2009.

The experience taught Sharp a painful lesson that its supply chain needed to be leaner and its production more efficient, especially if the factory was going to be in Japan, where the strong yen and expensive labor force put the company at a disadvantage to its Asian competitors.

Sharp aims to streamline the costly LCD-panel production process by moving 17 outside suppliers and service providers inside its factory walls to work as "one virtual company."

In the past, Sharp kept suppliers within driving distance. Now they are all within the same facility. Supplies are sent not by truck from a nearby factory but by automated trolleys snaking from one building to another.

The suppliers, which include **Asahi Glass** Co. and **Dai Nippon Printing** Co., built and paid for their own facilities and are renting the land from Sharp.

Despite their location inside the plant, Sharp says its suppliers are permitted to sell their products to other companies.

At Sakai, Sharp has also linked its computer systems with suppliers so an order to the factory alerts suppliers right away. In the past, Sharp would email or call suppliers and place orders, creating a longer lag time.

Sharp wouldn't disclose how much, if any, cost savings will result from manufacturing LCD panels at Sakai, but analysts estimate a 5% to 10% savings.

Corning Inc. the world's largest maker of LCD glass substrates, built a factory next to Sharp's Sakai plant. Corning says the arrangement reduced total order cycle time from an average of one to two weeks to a matter of hours. Corning also says the proximity reduced the damage risk in transporting massive glass sheets on trucks.

While Sharp is a long-standing customer, Corning said it was concerned initially that building a factory on site would mean that it was "hitching its wagon" to Sharp since it is the only customer for such large glass substrates. Ultimately, Corning decided to proceed based on its faith in Sharp's Sakai plans.

"There's nothing like it anywhere," said James Clappin, president of Corning Display Technologies.

Sharp

Factory facts

Sharp's massive new plant is seen as a litmus test for high-tech manufacturing in Japan.

- Facility cost $11 billion to build
- Covers land equivalent to 32 baseball stadiums
- Work force is currently 2,000, expected to reach 5,000
- Outside suppliers have their own operations within the factory
- Analysts estimate the plant will result in 5% to 10% cost savings

Sharp's new facility in Sakai city, which cost $11 billion and takes up space equivalent to 32 baseball stadiums, is considered the most expensive manufacturing site ever built in Japan.

India's GDP surges 7.9%

Continued from first page
year's global downturn, and provide more evidence that Asia is leading the recovery. Growth was led by manufacturing, mining and social spending, which rose amid government stimulus measures and pay increases or bonuses for civil servants.

India's factories and mines have been busy as interest-rate cuts and fiscal-stimulus measures have lifted demand for automobiles, steel and cement. A slump in exports has abated and overseas investors have poured billions into the country's stock market.

The agriculture sector, which employs nearly 60% of India's work force, also defied most analysts' forecasts for a decline by posting a modest increase.

"The GDP numbers indicate response to initiatives taken by government in various policy measures including injecting stimulus, which we did in three doses over the last 11 months," said Finance Minister Pranab Mukherjee.

Mr. Mukherjee said he thinks growth will likely top the ministry's current 7% forecast for the fiscal year ending March 31. The RBI now expects the economy to grow by around 6% this fiscal year while the Planning Commission forecasts a 6.5% expansion.

The data sent Indian stocks prices higher, helping recoup some of last week's declines after Dubai's government said it was seeking a freeze on Dubai World's debt repayments. Government bonds fell.

Montek Singh Ahluwalia, the Planning Commission's deputy chairman, played down the effect of the Dubai crisis on India's economy. Dubai's construction boom has relied heavily on Indian workers, who send money home to relatives.

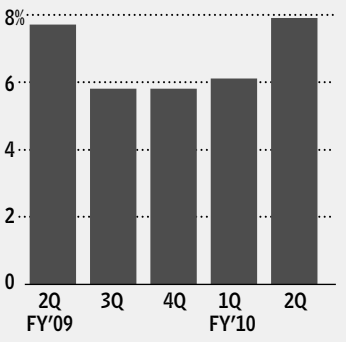
"What I know is that the direct exposure of our banks to Dubai is very, very low and you cannot necessarily conclude that there will be negative impact on remittances," he said.

The GDP growth could mean an earlier rate increase by the RBI, which many economists had expected to wait until March or so before withdrawing some monetary stimulus. "Today's data strengthens the case for the Reserve Bank of India to exit from its very easy policy settings," said Sonal Varma, an economist with Nomura Financial Advisory and Securities.

Robert Prior-Wandesforde, senior Asian economist at HSBC, said the chances of a rate move before the end of December have risen, although the bank is sticking to its call for an increase only in January.

Beyond expectations

India's gross domestic product, change from previous year



Note: Fiscal years end March 31 of year shown.
Source: Central Statistical Organization, India

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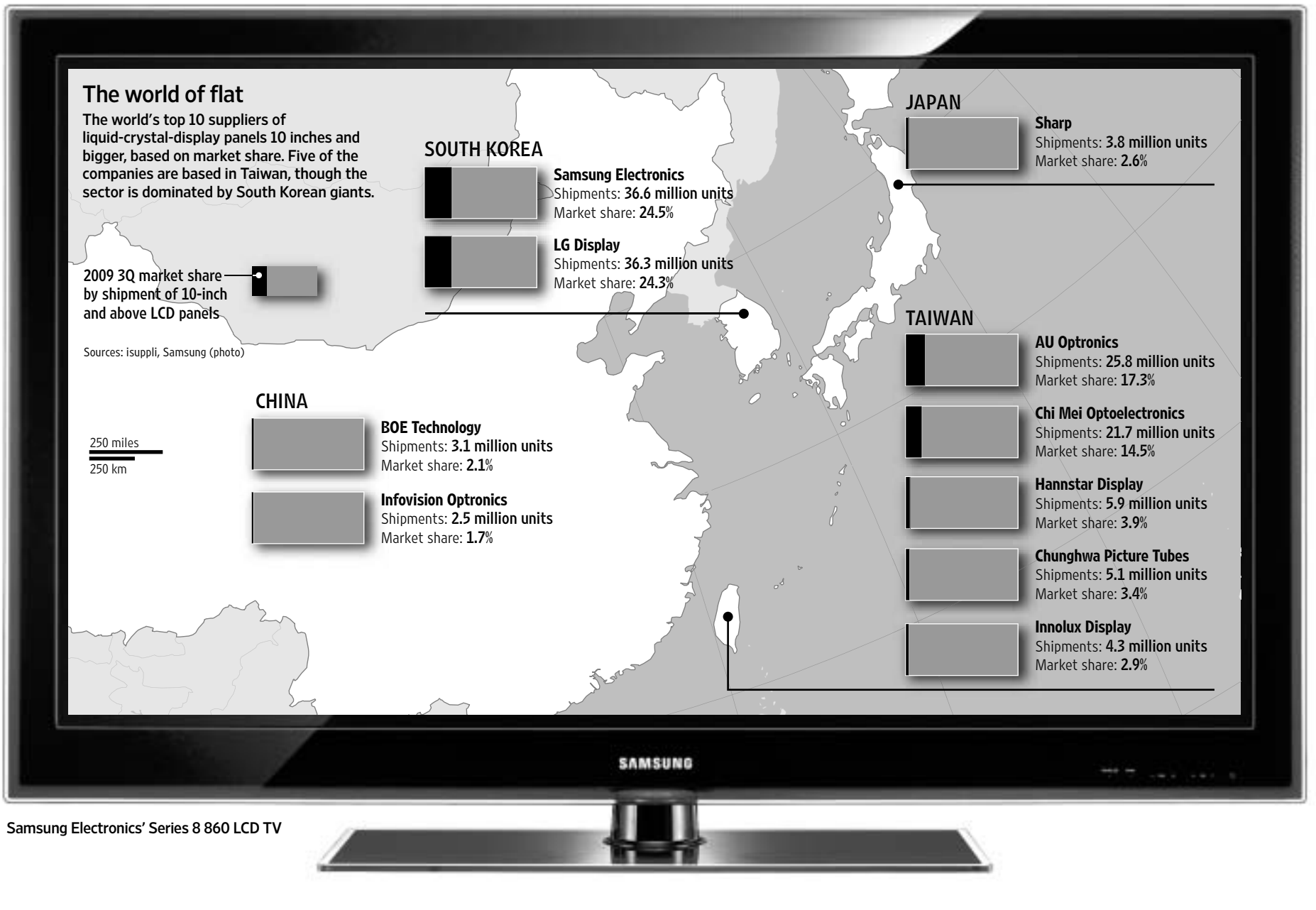

Samsung Electronics' Series 8 860 LCD TV

Help wanted: LCD makers in Taiwan may need to team up

Innolux's deal for Chi Mei will challenge AU Optronics for market share even as industry struggles with oversupply

Bloomberg

LG Electronics featured its LCD monitors with light-emitting diodes backlights at the Korea Electronics Show in October in Ilsan, South Korea.

By Yun-Hee Kim

HONG KONG—A recent deal in Taiwan's flat-panel sector could force the island's dominant maker, **AU Optronics** Corp., into a more aggressive strategy in the liquid-crystal-display market.

Consolidation in the LCD industry has been long overdue, as many manufacturers in Asia have been mired in losses following a long period of oversupply. Demand has been tepid since late 2008 as the global financial crisis made consumers wary about purchasing more expensive flat-screen TVs and replacing their old computers.

Innolux Display Corp., the world's No. 2 maker of flat-panel computer monitors by shipments, agreed in November to acquire Chi Mei Optoelectronics Corp., Taiwan's No. 2 flat-screen producer by revenue, in an all-share deal valued at 172 billion New Taiwan dollars (US$5.3 billion). The companies expect the deal to be completed by April 30.

While the merger isn't likely to significantly alter the global LCD market, which is dominated by Korean companies, it will create Taiwan's biggest LCD maker by shipments, topping AU Optronics.

AU Optronics and Chi Mei make the panels used in cellphones, computer monitors and televisions. Their customers include

Please turn to page 11

TECHNOLOGY

Reuters

Participants watch an installation of flat-screen TVs at a Berlin consumer electronics fair in September. The global financial crisis has made consumers wary about purchasing more expensive flat-screen TVs.

Continued from page 10

some of the world's biggest consumer electronic makers such as **Sony** Corp. and **Apple** Inc. as well as PC makers **Hewlett-Packard** Co. and **Dell** Inc.

AU Optronics, which acquired then sixth-ranked Quanta Display Inc. in 2006 for US$2.2 billion, may now be forced to seek another partner to boost its share. The company may also opt to defend its position by speeding up its investments in more advanced production facilities, allowing it to boost output of more profitable panels at lower cost.

Innolux was founded six years ago by Taiwanese technology tycoon Terry Gou, who is also founder and chairman of Taiwan-based **Hon Hai Precision Industry** Co., the world's biggest contract manufacturer by revenue.

Mr. Gou is the largest single shareholder in Innolux, and he, Hon Hai and other related interests together own about 24% of the display maker.

Seoul-based **Samsung Electronics** Co. is the world's biggest LCD maker by shipments, with a share of 24.5% as of the third quarter, according to data from market research firm iSuppli Corp.

Korea's **LG Display** Co. ranks second with a 24.3% share. The combined Innolux and Chi Mei entity would have 17.4% of the market, narrowly topping AU Optronics' 17.3%.

"AU Optronics will be the one most impacted by the merger as the new company has the potential to be the No. 1 LCD company in Taiwan," said Sweta Dash, an analyst at iSuppli.

AU Optronics may look to ink a deal with smaller Taiwanese rivals **Chunghwa Picture Tubes** Ltd. or **Hannstar Display** Corp., or could also look to players in China, where the market is growing rapidly, some analysts say.

Both Chunghwa and Hannstar need to invest in state-of-the-art manufacturing facilities to churn out bigger, more profitable LCDs for televisions. A deal with AU Optronics could help them add scale.

"Fierce competition among the top four suppliers [Samsung, LG Display, AU Optronics and Chi Mei] may lead to them gaining more market share and pushing other suppliers to consolidate in order to survive. The other two Taiwanese companies, Chunghwa Picture Tubes and Hannstar, will feel more pressure now," Ms. Dash said.

AU Optronics said the company is open to discuss "all possible industry cooperation or alliance." But Freda Lee, a company spokeswoman, said there is no specific plan at the moment.

"AU Optronics is still very confident in facing upcoming competition," said Ms. Lee, adding that the company plans to form many alliances with branded TV makers and system integrators. She didn't elaborate on the companies.

Charlene Chen, an official at Chunghwa's investor relations department, declined to comment on consolidation. Officials at Hannstar weren't available for comment.

Chi Mei's merger with Innolux is unlikely to reverse the industry's near-term price declines. Most analysts expect the LCD industry to remain oversupplied through the first quarter of 2010 as demand remains weak in the traditionally slow selling season and as companies continue to ramp up production from more advanced plants.

But consolidation is a welcome development for the sector, companies say, and longer term could help stabilize the volatile industry, especially if there are more deals.

"We're going to be in a shortage by the second quarter of 2010," said Matt Cleary, director of equity research at Deutsche Securities Asia Ltd. Taipei branch.

Some LCD prices have started to stabilize after falling in the past few months. The average price of a 32-inch LCD TV panel fetched US$200 late November, stable from early November, while the price of a 19-inch monitor panel fell to $73 from $74, according to Taiwan-based researcher WitsView Technology Corp.

"TV panel demand from China has been strong, retail inventories and panel inventories are not too high for this time. Market recovery time will depend on how fast panel suppliers cut their utilization rates and how strong consumer demand is during the holiday season," said Ms. Dash.

Bazaar: Taipei

What they're buying at Asia's gadget emporiums

The place Gia. Chuan INTL'Tech Co., Guanghua Market, Taipei

The goods USB flash drives from Bone Collection

The specs Taiwanese brand Bone's USB 2.0 drives feature dustproof silicone cover designs of pandas, penguins and dinosaurs. Most series support both Windows and Mac, and come in 2-gigabyte, 4-gigabyte, and 8-gigabyte capacities. Bone's collection currently has eight series, with the penguin being the most popular, according to the saleswoman at Gia. Chuan.

The price 699 New Taiwan dollars (about US$22) for a 4-gigabyte drive

The deal The saleswoman said NT$699 is a discounted price and attempts at bargaining brought no success. Online retailer byja.com also sells the 4-gigabyte drives at a sale price of NT$699, so the price looks like a fair deal.

—Charmian Kok

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Résumé lost its punch?

Well, the doctor is in: some tips on what hiring managers look for

By Sarah E. Needleman

In today's cutthroat job market, having a top-notch résumé is critical to success. But there's a host of conflicting advice about exactly what makes a good résumé—and not every tip is right for every industry. To find out what hiring managers look for most in these documents, The Wall Street Journal introduces Résumé Doctor, a new feature in which recruiting experts and hiring managers critique readers' résumés and suggest ways to improve them.

■ **The job seeker:** Dawn Jordan, a 39-year-old marketing professional from Laguna Beach, Calif. Ms. Jordan, also a blogger for WSJ.com's Laid Off & Looking blog, has been job hunting since her position as an operations vice president at Bank of America Corp. was eliminated in October 2008. She assembled her résumé with the help of an outplacement firm provided by her former employer and says it has helped her land several interviews but has yielded no job offers.

■ **The job objective:** Ms. Jordan says she is looking for a mid- or senior-level executive position in marketing, preferably at a firm in Southern California. She is open to employers of all sizes in any industry.

■ **The experts:** Offering feedback on Ms. Jordan's résumé are Peter Leech, chief marketing officer for Seattle-based retailer Online-Shoes.com; John M. Abele, global managing partner in the marketing-and-sales-officers practice in Cleveland for executive-search firm Heidrick & Struggles International Inc.; and Harry Joiner, founder of EcommerceRecruiter.com LLC, a boutique recruiting agency in Atlanta that specializes in integrated marketing and new media.

■ **The résumé:** Ms. Jordan's résumé is two pages in a classic format, leading with her contact information followed by a summary statement. It goes on to describe her career in reverse chronological order with bullet points describing each position and concludes with her educational background.

■ **The positives:** Our experts described Ms. Jordan's document as well-organized and easy to read. They didn't have any problems with its length, noting that two pages—or even three—can make sense for someone with her level of experience.

Mr. Joiner additionally gave kudos to Ms. Jordan for including in her document a variety of key words—terms that recruiters are likely to search for when combing their résumé databases. Job seekers can identify important keywords for their fields by looking at the language used in job descriptions. Words in Ms. Jordan's résumé that Mr. Joiner says might help the document get noticed by marketing recruiters include "segmentation," "analytics," "cross-sell," "P&L," "CRM" and "SEO"—all critical for marketing roles. He adds that acronyms are fine to use but spelling them out in parentheses might be smart.

■ **The advice:** Our experts pointed to three flaws in Ms. Jordan's résumé: a lack of essential details; ambiguous information; and grammatical errors.

Natalie Young

Dawn Jordan

For starters, these hiring experts say, it is critical to make sure a résumé has enough details and clarity about the work a candidate has done. Ms. Jordan's résumé, like many they see, is missing specifics about her past positions, something that would help them get a better sense of how she progressed in her career. This is important, says Mr. Joiner, for showing that "an applicant can work their way up through an organization, and that they can lead and be led."

For example, Ms. Jordan's document doesn't list the months she spent in each job at Bank of America, the regions or divisions she was responsible for, whom she reported to or how many employees reported to her. And lower down, two stints listed offer no description of what she did in those jobs. "People discount their early positions, but they can be helpful in explaining how they made their way up the ladder," says Mr. Leech.

> **A listing of technological capabilities help because these can speak to your experience and credibility.**

Some job hunters lump together descriptions for more than one position at a single firm, as Ms. Jordan did, to keep their résumés concise. Listed under each employer name are each job title and bullets describing all her responsibilities over three positions. But our experts say this made it difficult for them to see how she progressed from one job to the other.

Our experts noted another common omission from résumés in the education section. Ms. Jordan's document failed to state what year she earned either of her degrees. She also didn't say what she majored in for her undergraduate degree. While some professionals intentionally omit graduation dates to hide their age, "we always verify degrees anyway, so you might as well put them on there," says Mr. Abele.

What's more, hiding your age can raise recruiters' suspicions about your integrity. "You're asking someone to trust you enough to hire you, you might as well be open," says Mr. Leech.

One piece of résumé advice to consider—and in particular for a marketing résumé like Ms. Jordan's: a listing of your technological capabilities, because these can speak to your experience and credibility. In Ms. Jordan's case, there is no mention of whether she has worked with market-research vendors such as Yankelovich or Mintel, or if she is proficient in market-research technologies like Oracle or Quickbase.

It turns out, Ms. Jordan is actually skilled in using Visio, SAS, JMP, Oracle, ComScore, Omniture, Webtrends and several other market-research technologies, all of which she has since added to her résumé.

"If your work has been touched or impacted by an important piece of software, then it makes sense to put that in a résumé," says Mr. Joiner. Otherwise, recruiters may assume you're lacking in this area.

If you aren't knowledgeable in some areas you know recruiters will be looking for on a résumé, be sure to include related expertise you do have, says Mr. Abele. Then prepare to talk about your ability to learn quickly and provide examples during the interview process.

But Mr. Abele, for his part, says it isn't always necessary to list technological expertise if you are a management-level job hunter or above.

"For nonmanagerial positions however, technical skills do become more relevant," he says. "Employers want someone who can plug and play pretty quickly."

Our experts also say they would like to see more metrics in Ms. Jordan's résumé that show how much savings or profits she generated for her past employers. And consistency is key; well-thought examples next to ambiguous ones can confuse a hiring manager. A good example from Ms. Jordan's résumé is a bullet that says: "Cited by president for recouping $11 mil revenue by reversing deteriorating customer churn rate while achieving triple-digit ROI [return on investment]."

But other bullets come up short, such as one that says she "utilized real time customer data" but that doesn't go on to describe any benefits that her employer gained as a result. "At the end of the day, that's what a hiring manager is scanning for," says Mr. Leech.

If you don't have these details because the quantifiable results were meager, include them anyway—unless they are so poor they could eliminate you from consideration—and briefly explain why and what you learned as a result, adds Mr. Abele.

One element of Ms. Jordan's résumé that the experts differed on was the summary. Mr. Leech says that Ms. Jordan's summary, like many he sees, "doesn't cut to the chase on what's she done."

Mr. Joiner argued that for a summary to be effective, it needs to be tailored for a specific position, something he recommends job hunters do for every job they seek—and ideally throughout the rest of their résumés. Executive recruiter Mr. Abele falls into the "who cares?" category; he says he skips past summaries.

Lastly, check your spelling and grammar. If it isn't your forte, have a friend check it for you. Our experts noticed that in one sentence Ms. Jordan incorrectly used both past and present tenses. She also wrote "a" when she should have written "an." Such errors aren't deal-breakers, but they do raise "a little bit of concern about someone's focus on detail," says Mr. Leech.

Online today:

See the before and afer versions of Ms. Jordan's résumé, and find out what advice she took at WSJ.com/careers.

500,000 Iranian Centrifuges

Mohamed ElBaradei capped his contentious and ultimately failed 12-year stint as head of the International Atomic Energy Agency yesterday, having spent many years enabling Iran's nuclear bids only to condemn them in his final days in office. Mr. ElBaradei combined his rebuke of Iran with his familiar calls for more negotiation, but we'll take his belated realism about Iran as his tacit admission that Dick Cheney and John Bolton have been right all along. Let's hope the education of the Obama Administration doesn't take as long.

As if to underscore the point, Sunday the Iranian government ordered up 10 additional uranium enrichment plants on the scale of its already operational facility in Natanz, which has a planned capacity of 54,000 centrifuges. That could mean an eventual total of more than 500,000 centrifuges, or enough to enrich about 160 bombs worth of uranium each year. Whether it can ever do that is an open question, but it does give a sense of the scale of the regime's ambitions.

The decision is also a reminder of how unchastened Iran has been by President Obama's revelation in September that Iran had been building a secret 3,000 centrifuge facility near the city of Qom. The IAEA's governing board finally got around on Friday to rebuking Iran for that deception, a vote the Administration trumpeted because both Russia and China voted with the United States. But perhaps only within the Obama Administration can a symbolic gesture by the IAEA be considered a diplomatic triumph.

"Time is running out for Iran to address the international community's growing concerns about its nuclear program," White House press secretary Robert Gibbs said Sunday, but the West has said this many times before. Earlier this year, Mr. Obama said Iran had a deadline of September.

Mohamed ElBaradei

The regime scoffed at Mr. Obama after he delivered a conciliating message for the Persian New Year in March, scoffed again after he mildly criticized its post-election crackdown and killing spree in June (following days of silence), and scoffed a third time by rejecting the West's offer to enrich Iran's uranium for it. Yet the Administration insists the enrichment deal is still Iran's for the taking. "A few years ago [the West] said we had to completely stop all our nuclear activities," Iranian President Mahmoud Ahmadinejad said in October. "Now look where we are today."

Those are the words of a man who believes he has Mr. Obama's number. And until the President, his advisers and the Europeans realize that only punitive sanctions or military strikes will force it to reconsider its nuclear ambitions, an emboldened Islamic Republic will continue to march confidently toward a bomb over the wreckage of Mohamed ElBaradei's—and Barack Obama's—best intentions.

Switzerland and the Minaret

Nearly 58% of Swiss voters Sunday cast their ballots in favor of banning the construction of new minarets in the Alpine republic, a surprise result that led at least one Swiss member of parliament to declare that "the foundations of Switzerland's direct democracy have failed."

That is clearly wrong. Swiss direct democracy shows its mettle when Swiss voters use it to stand up to their political elites, as happened here. Having said that, Sunday's vote, for all the hand-wringing leading up to it, was a decidedly mild-mannered sort of protest. The construction of new minarets is banned, but the building of mosques is unaffected, and the vote does not affect the four existing minarets in the country. Nobody's freedom of worship is threatened, but a symbolic message has been sent.

But what message, exactly? The vote betrays an undercurrent of fear among the Swiss—a fear that is not without cause. There is no denying the connection between radical imams and terrorist acts. Nor should anyone look away from the fact that too many European Muslims flatly reject the norms of their host countries, sometimes in ways that are criminal: honor killings, child brides and the like.

Yet banning minarets does nothing to address that fear. It merely makes it less likely that the average Swiss will be confronted by a visible symbol of Islam upon his skyline. Thus, even as a symbolic gesture, it seems to encourage a head-in-the-sand approach toward the 5% of Swiss who are Muslim. In much of Europe, this is the norm anyway, the result of political correctness and cowardice.

Rather than being a blow against that attitude, Sunday's vote seems only to reinforce it. Banning minarets won't do anything to assimilate Switzerland's or Europe's Muslims, or to ensure that economic opportunity is available to everyone of whatever creed, or to deal with Western Europe's demographic problem of too few newborns.

The ban, in other words, does too much and too little at once. Too much because it becomes a very visible and easily exploited symbol of supposed European intolerance. But it accomplishes too little because it seeks merely to hide from view the problems that gave rise to the fear of the minaret in the first place.

Big Pharma Sells Out

However the Senate's health-care debate pans out, we'll wager this prediction: The pharmaceutical executives who have endorsed this exercise will eventually be exposed as among the most shortsighted CEOs in the history of capitalism.

In June, the Pharmaceutical Research and Manufacturers of America sealed a deal with the White House and Senate Finance Chairman Max Baucus promising to contribute $80 billion in lower drug costs over the next decade to ObamaCare, plus a multimillion-dollar TV ad campaign. In return they were to be spared from price controls and the reimportation of cheaper foreign drugs.

The loophole is that the deal didn't include the House, and now it may fall apart in the Senate. But even if it does somehow survive, by now it is obvious that the industry's political protection will last only as long as it takes to pass a bill.

"You've heard that as a consequence of our efforts at reform, the pharmaceutical industry has already said they're willing to put $80 billion on the table," President Obama said in July. "We might be able to get $100 billion out or more."

Led by Henry Waxman, the House saw that and raised: The bill that passed last month extracts as much as $150 billion from the industry, including demands for a 23.1% "discount" when Medicare buys prescription drugs for some seniors (much like Medicaid imposes now) and gives the government the power to "negotiate" lower prices for everyone.

The pharma lobby was unfazed. "Despite the shortcomings in the House legislation, we remain completely committed to helping the President and Congress pass comprehensive health care reform this year," a senior vice president said in a statement. "This is a three-act play and a good critic doesn't write a review after the opening scenes."

> A business ad campaign could defeat ObamaCare.

But now the curtain is coming down. The Senate bill is only going to grow more expensive on the floor. Given that Harry Reid is even relying on a 5% "botax" on cosmetic surgery, the drug makers will become ever more appealing targets as the search for revenue to make ObamaCare appear to be deficit neutral grows more desperate.

Meanwhile, the AARP and its media stenographers are levelling allegations that drug makers are already jacking up prices for brand-name prescriptions. John McCain and Olympia Snowe are cosponsoring a bill with Byron Dorgan that would allow pharmacies and wholesalers to import medications from Canada and Europe.

So how has the industry responded? More or less as Lenin predicted. Big Pharma is now running ads against Joe Lieberman, saying his threat to torpedo the Senate bill could cause drug prices to rise by 20%. It is also funding a campaign that targets fence-sitters Ben Nelson, Mary Landrieu and Blanche Lincoln.

In other words, the industry is trashing the very Senators who stand the best chance to rescue it from government control. Instead, the drug CEOs are making themselves complicit with the Washington mentality of seeing only the costs of medications, not benefits like longer lives or fewer hospitalizations. They are ensuring that they will *always* be a political target and making the extortion easier in the bargain.

The shame is that there be will fewer resources for the research and development that drives innovation, particularly for the smaller biotech companies that are the future of cutting-edge medicine. When it takes about a decade and a billion dollars to bring a new drug to market, a CEO of a smaller drug company told us recently, most firms are "living on the edge of extinction."

But it is the biggest players who are engaged in political gamesmanship. At a speech in February at the Economic Club of Chicago, Pfizer CEO Jeffrey Kindler laid out what he called his company's "new approach to legislation and public policy." Rehearsing the health industry's role in stopping HillaryCare in 1994, he announced that the difference this time is that pharma will be "actively supporting appropriate reforms, rather than simply trying to stop things we don't agree with."

* * *

The irony is that if business began to educate the public about what the current bills will mean for U.S. health care, it might be able to defeat them and force a more modest, sensible reform. National Journal's composite of all health polling finds that 50.9% of the public now opposes health reform in general, up from about 15% in February.

A Washington Post-ABC poll found that 52% of the public believes ObamaCare will increase their personal health costs and that 37% expect their quality of care will deteriorate. They're right. A survey of registered voters by Public Opinion Strategies found that the more people hear about the plan, the less they like it, and that voter hostility is higher now than it ever was for HillaryCare.

Yet now this son of HillaryCare is headed toward passage, and when shareholders start griping about lousy returns, Mr. Kindler and his fellow executives will be long gone. It's one more reminder that when it comes to protecting economic freedom, you can never trust big business. The biggest losers will be patients, who lack the millions to lobby Congress and in the future will have fewer innovative medicines.

OPINION

In Elections, Honduras Defeats Chávez

[Americas]

By Mary Anastasia O'Grady

Unless something monumental happens in the Western Hemisphere in the next 31 days, the big regional story for 2009 will be how tiny Honduras managed to beat back the colonial aspirations of its most powerful neighbors and preserve its constitution.

Sunday's elections for president and Congress, held as scheduled and without incident, were the crowning achievement of that struggle.

National Party candidate Porfirio Lobo was the favorite to win in pre-election polls. Yet the name of the victor is almost beside the point. The completion of these elections is a national triumph in itself and a win for all people who yearn for liberty.

The fact that the U.S. has said it will recognize their legitimacy shows that this reality eventually made its way to the White House. If not Hugo Chávez's Waterloo, Honduras's stand at least marks a major setback for the Venezuelan strongman's expansionist agenda.

The losers in this drama also include Brazil, Argentina, Chile and Spain, which all did their level best to block the election. Egged on by their zeal, militants inside Honduras took to exploding small bombs around the country in the weeks leading to the vote. They hoped that terror might damp turnout and delegitimize the process. They failed. Sunday's civic participation appeared to be at least as good as it was in the last presidential election. Some polling stations reportedly even ran short, for a time, of the indelible ink used to mark voter pinkies.

Latin socialists tried to discredit Honduran democracy as part of their effort to force the reinstatement of deposed President Manuel Zelaya. Both sides knew that if that happened the electoral process would be in jeopardy.

Mr. Zelaya had already showed his hand when he organized a mob to try to carry out a June 28 popular referendum so that he could cancel the elections and remain in office. That was unlawful, and he was arrested by order of the Supreme Court and later removed from power by Congress for violating the constitution.

It is less well-known that as president, according to an electoral-council official I interviewed in Tegucigalpa two weeks ago, Mr. Zelaya had refused to transfer the budgeted funds—as required by law—to the council for its preparatory work. In other words, he didn't want a free election.

Mr. Chávez didn't want one either. During the Zelaya government the country had become a member of Mr. Chávez's Bolivarian Alternative for the Americas (ALBA), which includes Cuba, Bolivia, Ecuador and Nicaragua. If power changed hands, Honduran membership would be at risk.

Last week a government official told me that Honduran intelligence has learned that Mr. Zelaya had made preparations to welcome all the ALBA presidents to the country the night of his planned June referendum. Food for a 10,000-strong blowout celebration, the official added, was on order.

ALBA has quite a bit of clout at the Organization of American States (OAS) these days, and it hasn't been hard for Mr. Chávez to control Secretary General José Miguel Insulza. The Chilean socialist desperately wants to be reelected to his OAS post in 2010. Only a month before Mr. Zelaya was deposed, Mr. Insulza led the effort to lift the OAS membership ban on Cuba. When Mr. Zelaya was deposed, Mr. Insulza dutifully took up his instructions sent from Caracas to quash Honduran sovereignty.

Getty Images

Casting a vote in Tegucigalpa, Nov. 29.

Unfortunately for him, the leftist claims that Honduras could not hold fair elections flew in the face of the facts. First, the candidates were chosen in November 2008 primaries with observers from the OAS, which judged the process to be "transparent and participative." Second, all the presidential candidates—save one from a small party on the extreme left—wanted the elections to go forward. Third, though Mr. Insulza insisted on calling the removal of Mr. Zelaya a "military coup," the military had never taken charge of the government. And finally, the independent electoral tribunal, chosen by congress before Mr. Zelaya was removed, was continuing with the steps required to fulfill its constitutional mandate to conduct the vote. In the aftermath of the elections Mr. Insulza, who insisted that the group would not recognize the results, presides over a discredited OAS.

At least the Obama administration figured out, after four months, that it had blundered. It deserves credit for realizing that elections were the best way forward, and for promising to recognize the outcome despite enormous pressure from Brazil and Venezuela. President Obama came to office intent on a foreign policy of multilateralism. Perhaps this experience will teach him that freedom does indeed have enemies.

Almost 400 foreign observers from Japan, Europe, Latin America and the U.S. traveled to Honduras for Sunday's elections. Peru, Costa Rica, Panama, the German parliament and Japan will also recognize the vote. The outpouring of international support demonstrates that Hondurans were never as alone these past five months as they thought. A good part of the world backs their desire to save their democracy from *chavismo* and to live in liberty.

Write to O'Grady@wsj.com

How to Study a Superpower

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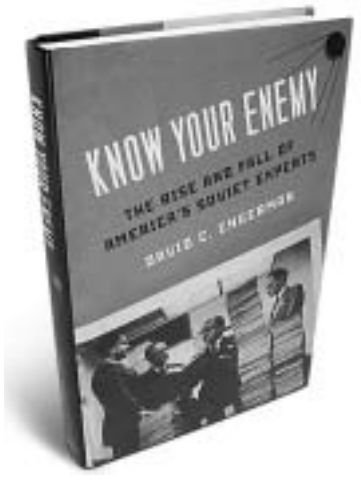

Know Your Enemy
By David C. Engerman
(Oxford, 459 pages, $34.95)

By Arch Puddington

The disintegration of the Soviet Union is today regarded by most of the world as an unalloyed good: the overdue collapse of a system that was incubated in terror and maintained by a vast police-state apparatus. The Soviet Union deprived ordinary people of their liberties, subjected entire nations to colonial rule, and ruined its own economy and that of its neighbors. Even those who objected to America's policies during the period of superpower rivalry do not dispute that the Soviet "experiment" proved an abject failure, with terrifying human cost.

But as David C. Engerman reminds us in "Know Your Enemy," his engrossing history of "the rise and fall of America's Soviet experts," the center of the scholarly universe had a more benign appraisal of Soviet reality through much of the Cold War. Winston Churchill may have seen Russia as "a riddle wrapped in a mystery inside an enigma," but to many scholars the postwar Soviet system fit the model of a modern industrial society not too different from our own.

As early as the mid-1950s, the eminent sociologist Talcott Parsons wrote: "It seems likely that East and West . . . are more likely to converge than to continue to diverge." Others were more cautious. But at a time when America's political leaders were issuing blustery pronouncements about liberating the Soviets' captive nations, academic specialists, as Mr. Engerman notes, were stressing the system's stability and the absence of discontent among the Russian people.

It is true that some scholars dissented from the thesis that the Soviets were on a trajectory to become "more like us," and during the early years of the Cold War such differences were dealt with collegially. More important, there was a consensus at the time—even when experts disagreed about the nature of Soviet society—that the Soviet Union, in its foreign policy, was a dangerous adversary with expansionist designs. Mr. Engerman quotes a government official who worked with Russian scholars at Harvard saying that "if our utilization of the social sciences in combating Communism is not immediate and at once," a nuclear Armageddon might ensue.

It was America's concern about Soviet global ambitions that led to the creation of the Soviet-studies field. The U.S. could claim few Russia specialists before World War II, and those who studied the Soviet system were often sympathetic to the effort to build a socialist society. With the postwar takeover of Eastern Europe and Stalin's retreat behind the Iron Curtain, Washington launched a crash project to develop a cadre of experts who could provide accurate interpretations of Soviet realities.

Funds flowed freely from the federal government to Columbia, Harvard and other elite universities. In return, new Russia studies' institutes undertook projects designed to guide U.S. diplomats and security officials. A few initiatives were aimed at "political warfare," such as Operation Troy, a scholarly undertaking intended to "induce the dissipation of the Soviet Union" through psychological warfare. More relevant was a project based on interviews with 700 displaced Soviet citizens in Europe. Among the conclusions: An individual's social standing in the Soviet Union was seldom ascribed to nationality. That conclusion, Mr. Engerman says, though ultimately proved wrong, was "to hold sway for decades."

In the early years, the relationship between the U.S. government and the scholarly community was one of happy co-existence. Government funds allowed scholars to conduct pioneering research, which in turn helped the policy community. University officials "could not imagine government work as presenting any challenge to academic autonomy," Mr. Engerman notes. By the 1970s, however, the relationship had changed. The radical currents that swept through the universities in the 1960s stirred a hostility to cooperating with officialdom.

At the same time, a new generation of specialists emerged: They were determined to assess the Soviet experience—present and past—in a more optimistic light. Social scientists churned out study after study seeking to demonstrate that Soviet institutions functioned much like their counterparts in the U.S. and ridiculing the use of the word "totalitarian" to describe the Soviet system. Likewise, revisionist historians like Sheila Fitzpatrick wrote accounts of the Stalin period that dealt primly with the Terror and upbraided traditionalist historians for being, as she put it, "preoccupied with questions of moral judgment."

In the end, it was the traditionalists—scholars who recognized the absurdity of the system and understood that the roots of Soviet totalitarianism could be found not in Stalin but in the original Leninist project—who were vindicated when the Soviet edifice fell apart. And it was traditionalist scholars—e.g., Zbigniew Brzezinski, Richard Pipes, Robert Conquest—who understood that the Soviet Union and Russia were not synonymous and that in the discontent of the non-Russian nationalities lay a critical vulnerability.

In their analytical astuteness and influence over policy the traditionalists stood as a rebuke to the acolytes of revisionism. Similarly, the traditionalists' animus toward Soviet ideology and conduct was a rebuke to scholars who insisted on quietism or neutrality.

When Mr. Pipes was traveling in Russia during the early 1960s, Mr. Engerman tells us, he found that reading material from a Soviet source "evokes a kind of low burning but steady anger." He went on to argue that, when confronted with a system based on lies and distortions, the historian "must assume some kind of philosophical and moral position." Of course, he was right. The idea that a historian must check his moral outrage at the door was no more relevant to the study of communism than to the study of Hitlerism. That many, perhaps most, Soviet specialists did not understand this obvious truth at the end of the Cold War ranks among the great intellectual scandals of our time.

Mr. Puddington, director of research at Freedom House, is the author of "Broadcasting Freedom: The Cold War Triumph of Radio Free Europe and Radio Liberty."

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OPINION

Is President Obama Abandoning Taiwan?

By Parris H. Chang

Before President Obama's recent trip to China, Taiwanese President Ma Ying-jeou asserted that "current Taiwan-U.S. ties are better than any time in the past 60 years and mutual trust between the two countries has been completely restored," referring to ructions with the previous government in Taipei. After Mr. Obama's trip, the U.S.-Taiwan relationship is still far from friendly.

In a speech in Tokyo, President Obama emphasized that the U.S. would not seek to contain China, but did not mention Taiwan at all. In his meetings with Chinese leaders, Mr. Obama avoided the issue of China's building military threat. His administration hasn't announced any arms sales to Taiwan since taking office in January, either.

More fundamentally, the U.S. and China issued a joint statement which included the phrase: "China emphasized that the Taiwan issue concerns China's sovereignty and territorial integrity, and expressed the hope that the United States will honor its relevant commitments and appreciate and support the Chinese side's position on this issue."

This statement leans toward giving Beijing what it has sought for decades but has tried in vain—until now—to achieve: to get Washington to accept China's claim of sovereignty over Taiwan. In July 1982, American Institute of Taiwan Director James Lilley delivered "Six Reassurances" on behalf of then-President Ronald Reagan, which stated that "the U.S. had not altered its position regarding Taiwan's sovereignty, meaning the U.S. does not recognize China's claim of sovereignty over Taiwan."

In July 1998, the Chinese coaxed then President Bill Clinton, who was visiting China, to state a policy of so-called "Three Nos" regarding Taiwan, that includes "no independent Taiwan," "no two Chinas or one Taiwan, one China," and "no Taiwan membership in intergovernmental international organizations." The third "no" is a serious and outright violation of the Taiwan Relations Act, a U.S. law which states: "Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from . . . any international organization."

President Obama's predecessor, George W. Bush, took a much more pro-Taiwan stance. When Mr. Bush visited China the first time in February 2002, there were no surprises from his talks with Chinese leaders, nor was there any joint statement. Prior to his arrival at Beijing, President Bush made a speech to Japan's Diet and said: "America will remember our commitment to the people on Taiwan," He also pledged "to do whatever it takes to help Taiwan defend itself." Three months before he left office, he approved a $6.5 billion package of arms sales to Taiwan.

The Obama team seems to understand that its message may upset Taiwan. After Mr. Obama's trip, the chairman of the American Institute in Taiwan, Raymond Burghardt, was dispatched to Taipei, where he met President Ma, Legislative Yuan Speaker Wang Jin-pyng, and the opposition Democratic Progressive Party Chairwoman Tsai Ing-wen. Mr. Burghardt told them that U.S.-Taiwan policy remains unchanged, including Washington's stance on the island's sovereignty and defense needs. But few leaders seemed to buy this message and local media roundly criticized the visit.

David G. Klein

Now is not the time to repeat Mr. Clinton's mistakes. It is morally and politically wrong for the U.S. to oppose the right of Taiwan, a democratic and open society of 23 million people, to determine its own future. President Obama may be leaning in that direction by not supporting an independent Taiwan and backing China's opposition to Taiwan independence. Beijing has long tried to isolate Taiwan in the international community, lock the island into the framework of a "one China" policy, pave the way for Taiwan's eventual unification with China, and most importantly, seek Washington's support for its maneuvers.

The Obama-Hu statement "welcomes the peaceful development of relations across the Taiwan Strait and looks forward to efforts by both sides to increase dialogues and interactions in economic, political, and other fields, and develop more positive and stable cross-Strait relations." There is no reason for Washington to believe that Taiwan's unification with Communist China is desirable or inevitable. The three U.S.-China communiques and other joint statements do not commit Washington to Taiwan's unification—and democratic changes in Taiwan have precluded it. The U.S.-Taiwan relationship is valuable in its own right and should not be subordinated to or merely a function of the U.S.-China relations.

To remove any doubts and reassure Taiwan, President Obama should reiterate the commitment of his administration to the Taiwan Relations Act and Reagan's "Six Reassurances." Moreover, to honor the U.S. pledge on security support to Taiwan, the Obama administration should soon make self-defense weapons available to Taiwan. Only then will the U.S.-Taiwan relationship truly be restored.

Mr. Chang, professor emeritus of political science at Penn State University, is the CEO of the Taiwan Institute of Political, Economic and Strategic Studies and former deputy secretary general of Taiwan's National Security Council. He has also served as a legislator for the Democratic Progressive Party.

Much Ado About Dubai

By Zachary Karabell

Global markets sank sharply at the end of last week on fears that Dubai World, a subsidiary of the government of Dubai, was on the verge of defaulting on approximately $60 billion of the emirate's $80 billion in total debt held by creditors world-wide. The rush of news stories added to the wildfire of panicky speculation, with headlines ranging from "Dubai Default Risk May be Big US Bank Problem," to "Dubai Shows Limits of Government Rescues."

The mini-panic, however, has little to do with Dubai and everything to do with the tenuous psychology of global investors still skittish after the financial crisis that hit in the fall of 2008.

The challenges that Dubai faces are both well-known and at least a year old. In the wake of the global financial crisis, Dubai's debt was seen as one of many international soft spots, especially since most of the debt was tied to the assumptions that oil would stay above $145 a barrel, and that Dubai would continue to make the fantastic real-estate gains that had characterized the previous years.

The much-lauded and debated Dubai development model depended in part on a well of capital secured by oil and buoyed by the confidence of the emerging world. That confidence led to the creation of man-made islands, ski slopes in the desert, and some of the world's tallest buildings. It also led to aggressive foreign investments in a portfolio that included luxury stores such as Barney's and frivolities such as Madame Tussaud's wax museums.

What led to Dubai's rise was a vision of Arab entrepreneurialism, easy credit, and anything-is-possible attitude that epitomized the "if you build it they will come" philosophy. It was and is a dynamic materialistic outpost in a corner of the world more identified with religious and ethnic strife, and for a time it seemed to break free of the mooring of history. If nothing else, Dubai is the shopping mall and nightclub for much of the region.

Its obituary was written in the aftermath of the financial crisis as yet another icon of hubris. But Dubai is part of a United Arab Emirates confederation that includes Abu Dhabi and Sharjah, which have oil wealth that Dubai lacks.

As Dubai's ruling family preened, the neighboring emirs sulked, and when Dubai's debts came due prematurely, they swooped in, replete with the scolding I-told-you-so's and armed with billions in oil dollars. Unique model aside, Dubai was always a story of wealth expatriated from Abu Dhabi, Saudi Arabia, Kuwait, and, more opaquely, Iran. If there was ever an example of too big to fail, Dubai was it.

The panic tells us more about the mood of global investors than about the emirate.

Dubai will not default on its debts—its neighbors simply will not allow it and as of Sunday they have pledged not to. They can well afford to bail out their cousin, though not without extracting a price for the infusion of funds. At one point early this year, with oil heading to $30 a barrel, it was possible the money wouldn't be there. But with oil near $80, the sovereign wealth funds of Abu Dhabi that have been conspicuously silent of late have their hundreds of billions.

Dubai is central to the fate of those who will bail it out. Rich-as-Croesus neighbors, whose conservative culture precludes the carefree amoral opportunities offered by Dubai, use the country as an escape valve. More important, Dubai remains a vital hub of banking, financial markets, deal-making and real estate development that is not about to pass quietly into that good night.

The panic in global markets, as absurd as it was, indicates a fragile state of mind that can do damage. If Dubai had defaulted, it's not as if all $80 billion owed would be written-off like some foreclosed subdivision in central Florida. There is still cash-flow, and no sane bank would willingly forgo that and refuse to renegotiate the loans.

Even a doomsday scenario for Dubai—complete default—wouldn't be a global disaster. While $80 billion is a lot of money, it is still $100 billion shy of what the U.S. government paid to keep American International Group afloat, and it is a pittance in the pool of tens of trillions in bonds world-wide.

So why did markets react as they did? Panic is the easy answer, and global investors do at regular intervals overreact. More disturbing is the possibility that investors in the traditional financial capitals of Europe, the United States and Asia have no better understanding of the world now than they did before last year's crisis.

The old centers—New York, London, Frankfurt, Tokyo—fear risk in parts of the world they deem emerging and underplay the risks in the offices next to them. They view the Dubais, the Shanghais and the Rios with suspicion and with errant conviction that their models are built on foundations of sand, ready to collapse, when it was their own foundations that have proved to be weak. Judging from the misguided reaction to Dubai's challenges, the past year hasn't changed those attitudes. That should make us worried, very worried, but not about Dubai.

Mr. Karabell is president of River Twice Research and author most recently of "Superfusion: How China and America Became One Economy" (Simon & Schuster, 2009).

IN DEPTH

Companies are more prone to go with 'vertical integration'

Old business model stages a revival as firms seek controls over raw materials, manufacturing and distribution

LARRY ELLISON is known for forward thinking. With his new business model, though, the billionaire chief executive of software maker Oracle Corp. is taking a page from the past.

Mr. Ellison plans to buy Sun Microsystems Inc. and transform Oracle into a maker of software, computers, and computer components—a company more like the U.S. conglomerates of the 1960s than the fragmented technology industry of recent years.

*By **Ben Worthen, Cari Tuna** and **Justin Scheck***

"It is back to the future," he told financial analysts in October.

Mr. Ellison is among the executives reviving "vertical integration," a 100-year-old strategy in which a company controls materials, manufacturing and distribution. Others moving recently in this direction include ArcelorMittal, PepsiCo Inc., General Motors Co. and Boeing Co.

The reasons vary. Arcelor, the world's largest steelmaker, wants more control over its raw materials. Pepsi wants more authority over distribution. GM and Boeing are moving by necessity, to assure quantity and quality of vital parts from troubled suppliers. Some are repurchasing businesses they only recently shed.

"The pendulum has shifted from disintegration to integration," says Harold Sirkin, global head of Boston Consulting Group's operations practice. He attributes the change to volatile commodity prices, financial pressures at suppliers and quests for new revenue—challenges exacerbated by the recession.

Just two years ago, for example, Mr. Ellison said Oracle would stick to its traditional focus on software. Computer hardware isn't "a business we have any ambitions in," he said then. In a September speech, he called that view "fundamentally wrong." Mr. Ellison declined to comment for this article.

The moves toward vertical integration are a departure from the past half-century, when companies increasingly specialized, shifting functions like manufacturing and procuring raw materials to others. Steelmakers in the 1980s sold their mining operations; in the 1990s, auto giants spun off their parts suppliers. Tech companies stopped making every piece of a computer system and specialized in chips, data storage or software.

The guiding principle was that specialization would boost efficiency and quality. Today, a typical corporate computer system might be assembled by Accenture PLC with data-storage systems from EMC Corp. and computers from Hewlett-Packard Co. that use chips from Intel Corp. to run Oracle software. Now, Oracle is trying to combine all those functions.

Others are pursuing similar strategies. Pepsi plans to repurchase bottlers it spun off in 1999. Back then, Pepsi executives wanted to focus on marketing and leave most operating decisions to the bottlers. Now, as consumers flock to noncarbonated beverages, Pepsi is keen to gain more control over the distribution of its growing menu of offerings, says spokeswoman Jenny Schiavone.

Such steps don't necessarily portend a return to the early-20th-century vertical conglomerates of Andrew Carnegie and Henry Ford. Then, Carnegie Steel Co. and Ford Motor Co. each owned iron-ore mines, while controlling everything from manufacturing to sales.

"The historical view of vertical integration was that you had complete control of the supply chain and that you could manage it the best," says Mark Gottfredson, a partner at consulting firm Bain & Co.

Today's approach is more nuanced. Companies are buying key parts of their supply chains, but most don't want end-to-end control.

Some moves may face resistance from regulators. The U.S. Federal Trade Commission, for example, is reviewing Pepsi's plan to buy its two largest bottlers. At the Justice Department, antitrust chief Christine Varney has signaled interest in scrutinizing vertical deals.

Regulators in recent decades have blessed most vertical mergers on the grounds that they make firms more efficient, lower costs and benefit consumers, says M.J. Moltenbrey, an attorney with Howrey LLP in Washington, D.C. Instead, regulators have focused on preventing one company from dominating a specific market.

The European Union has moved to block Oracle's $7.4 billion acquisition of Sun on such grounds, fearing Oracle would have too much control of one software niche. (A spokeswoman for Oracle says the company sees no such conflict and is confident it will gain clearance for the deal.) The EU, however, hasn't expressed concern about Oracle's move into hardware.

While many companies, such as Coca-Cola Co. and Toyota Motor Corp., are content to stick to their current business models, others find they have little choice but to vertically integrate. In the past two years, Boeing bought a factory and a 50% stake in a joint venture that make parts for its troubled 787 Dreamliner jet. The moves partially reversed Boeing's aggressive outsourcing strategy to assemble the Dreamliner from parts made by hundreds of suppliers. Supply and assembly problems have knocked the Dreamliner more than two years behind schedule. Boeing CEO Jim McNerney says the company is still committed to outsourcing.

Likewise, GM in October took a minority stake in Delphi Automotive LLP, its biggest parts supplier, and purchased four factories and Delphi's steering business as the supplier emerged from bankruptcy. GM, which spun off Delphi in 1999, wanted to assure uninterrupted supply, a spokeswoman for the company says.

Johnson Controls Inc., another big auto-parts maker, last year bought a 70% stake in the interior-products business of bankrupt supplier Plastech Engineered Products Inc., to guarantee supply.

Several steelmakers are also embracing the shift, moving deeper into the raw-materials business that earlier steel companies exited. Arcelor has acquired mines in Brazil, Rus-

Bloomberg News

Oracle CEO Larry Ellison plans to buy Sun Microsystems and transform Oracle into a maker of software, computers, and computer components—a company more like the U.S. conglomerates of the 1960s than the fragmented technology industry of recent years. Mr. Ellison is pictured above at the Oracle Open World Conference in October in San Francisco.

Bloomberg News

Employees inspect steel rolls at an ArcelorMittal steel plant in Bremen, Germany, last month. ArcelorMittal in the past two years has bought iron-ore and coal mines to insulate itself from fluctuating raw-materials prices and supply-chain disruptions.

sia and the U.S. and expanded existing mining operations in recent years. Strategy head Bill Scotting says the Luxembourg company is trying to hedge against price fluctuations for iron ore and coal and supply-chain disruptions amid rising Chinese steel consumption and mining-industry consolidation.

"If you're buying fully from a market, you are relying on that market's supply chain," Mr. Scotting says.

Nucor Corp., which makes steel from recycled metal, last year bought a major scrap-metal processor. Nucor moved as scrap prices soared. Prices have since dipped, but Chief Executive Dan DiMicco says owning the supplier will help Nucor manage inventory more efficiently, eventually saving the company more than $100 million annually.

"Information on markets is extremely valuable in the scrap business," Mr. DiMicco says. By controlling supply, "you have more control over your own destiny."

Perhaps the most dramatic reversal is taking place in the tech industry, where specialization and outsourcing had dominated for decades.

Through the 1970s, computer makers such as International Business Machines Corp. also made the semiconductor "brains" of their machines, the data-storage devices and the software that made the computer useful. In 1969, the U.S. government, in a landmark antitrust suit, charged IBM with illegally bundling hardware, software and services to hinder rivals.

The government dropped the case in 1982. By then the evolution of technology had achieved what the lawsuit could not: IBM's mainframes were rivaled by less-expensive minicomputers and personal computers that ran on software from many vendors.

Oracle, founded by Mr. Ellison in 1977, quickly flourished in part because its database software could run on multiple types of computers, including IBM's. That allowed Oracle to also sell to companies that used computers from Digital Equipment Corp. and Honeywell International Inc.

The technological shift ushered in a period of innovation and specialization. Entrepreneurs devised software for particular tasks, such as word processing or accounting. Semiconductor companies, such as mobile-phone mainstay Qualcomm Inc., specialized in designing chips; they hired other firms to manufacture them.

A few years ago, the pendulum began swinging the other way. In 2005, Oracle started a strategy of buying other software makers. Last year, H-P acquired Electronic Data Systems Corp., which manages corporate computer systems, to strengthen its consulting arm and exert more control over a key sales channel. Rival Dell Inc. recently bought tech-services firm Perot Systems Corp. for similar reasons.

In November, H-P said it would buy 3Com Corp. for $2.7 billion to bolster its computer-networking unit. Rob Cihra, an analyst for Caris & Co., called the move an effort to "vertically re-integrate" to gain control over customers. An H-P spokeswoman declined to comment.

Apple Inc. last year moved to re-enter the semiconductor business after a two-decade hiatus, buying chip maker P.A. Semi and hiring chip engineers. By developing its own chips for new mobile devices—a departure from the industry trajectory—Apple hopes to tighten control over a key technology and keep it away from rivals, according to people familiar with the matter. An Apple spokesman said executives weren't available to comment.

At Oracle, Mr. Ellison's shift is among the industry's most pronounced. For 32 years, Mr. Ellison was a big proponent—and beneficiary—of specialization in what he called the "horizontal computer industry." Oracle's forte was business software to help companies run their operations more efficiently. The model generated big profits for Oracle, which avoided the expense of manufacturing computers.

With the Sun deal, Mr. Ellison scrapped that strategy. Now, he wants to sell "complete systems" made of chips, computers, storage devices and software from Oracle. Mr. Ellison is betting that the combination will appeal to corporate customers tired of assembling technology from multiple vendors.

Mr. Ellison himself invokes the old IBM. "We want to be T.J. Watson Jr.'s IBM," Mr. Ellison said in September, referring to IBM's president from 1952 to 1971. He said IBM in that era was "the greatest company in the history of enterprise in America" because its hardware and software ran most companies.

Sun was something of an anachronism that still made its own chips, storage devices, software and computers—much like the old IBM. Over time, this diversification hurt Sun, which couldn't simultaneously keep pace with innovation from Intel, EMC, Microsoft Corp. and IBM. In today's changed tech landscape, Mr. Ellison sees those multiple product lines as assets.

His change of philosophy seems sudden. As recently as March, Oracle tried to buy only Sun's software products, according to a filing with the Securities and Exchange Commission. But when IBM neared a deal to buy Sun, Mr. Ellison decided he, too, wanted the whole company. Oracle won by offering $9.50 a share for Sun, or 10 cents a share more than IBM's bid.

During the meeting with analysts in October, Mr. Ellison said that he changed his mind quickly, calling the acquisition "opportunistic." Then, he set out to combine Sun's hardware with Oracle's software. Mr. Ellison recently unveiled such a computer, which he says searches data faster than rivals, and costs less. Oracle says it plans to make Sun computers with specialized software for tasks such as billing and managing retail stores.

Oracle will still sell software to customers who have H-P's computers, and Sun computers that will run software from its rivals. But Mr. Ellison has pledged to invest more in Sun's chips and other equipment than Sun did.

"We weren't in the hardware business, now we're diving in with both feet," Mr. Ellison said at the October event.

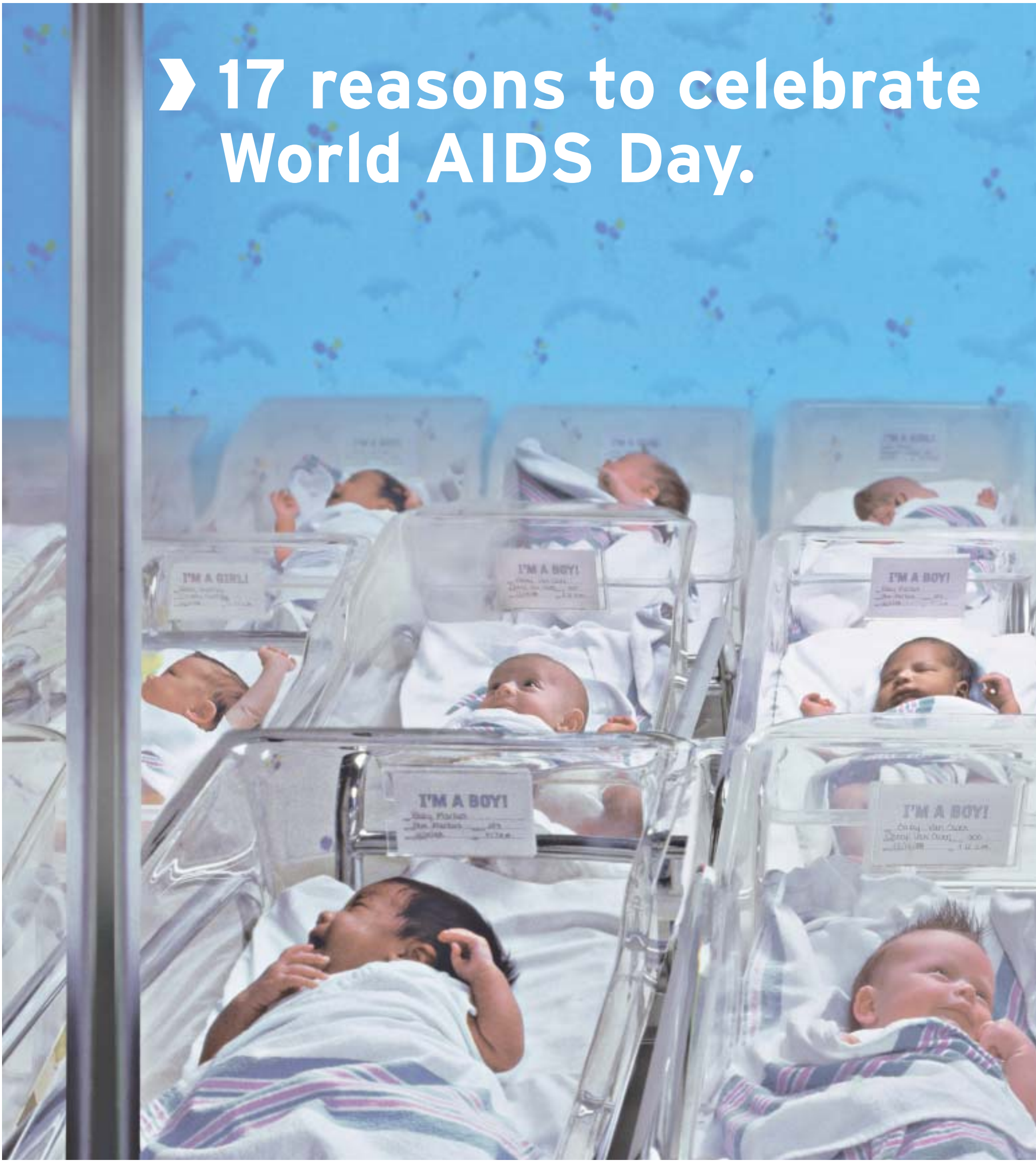
Noting Oracle was bucking a decades-long trend in the industry, Mr. Ellison said: "We're really brilliant, or we're idiots."

Vertical deals | Recent major acquisitions

Company	Target	Date	Motive
Live Nation	Ticketmaster Entertainment	Pending	Control event promotion and ticketing
PepsiCo	Pepsi Bottling Group; PepsiAmericas	Pending	Control of beverage distribution
Oracle	Sun Microsystems	Pending	Integrate hardware and software
General Motors	Factories and a stake in Delphi Automotive	2009	Control over parts supply
Boeing	Vought Aircraft Industries factory	2009	Control over manufacturing
Apple	P.A. Semi	2008	Customize chips for its devices
Nucor	SHV North America	2008	Access to raw materials
ArcelorMittal	London Mining Brasil	2008	Access to raw materials

Source: the companies; Bloomberg News (photo)

17 reasons to celebrate World AIDS Day.



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DUBAI DEBT FALLOUT

Loan woes are ruler's latest troubles

Sheik Mohammed's 'full throttle' approach led state-owned conglomerates to compete for projects and global capital

By Chip Cummins And Andrew Critchlow

DUBAI—This city-state's announcement last week that it would seek to delay debt payments represents the latest in a string of troubles for its ruler, Sheik Mohammed bin Rashid Al Maktoum, and a coterie of economic advisers struggling with the fallout of the global economic crisis.

Over the last several decades, Dubai's debt piled up as government-related companies borrowed to fund development at home and acquisitions abroad, to extend the emirate's wealth and international reach. After Sheik Mohammed took over as crown prince in 1995, he assumed effective control of the emirate's economic development.

On his Web site, he describes his business approach as hands-on and ambitious, adding, "I take decisions and I move fast. Full throttle."

He organized the economy around state-owned conglomerates, picking loyal deputies to head each one. They competed against each other for projects and capital, tapping local and global banks that were eager to lend amid an oil-fired regional boom.

Ports and real-estate conglomerate Dubai World, led by Sultan Ahmad bin Sulayem, the son of a close advisor to Sheik Mohammed's father, built a palm-tree-shaped island dotted with luxury hotels and villas. Developer Emaar Properties PJSC built the world's tallest skyscraper.

Bankers and credit analysts assumed there would be government support from Sheik Mohammed—and from the United Arab Emirates' federal government in Abu Dhabi—if they ever overextended.

But when the global financial crisis hit last year, foreign investors fled Dubai's property market, a pillar of the economy. Unease over Dubai's debt turned into global concern, and the cost of insuring Dubai debt against default started to rise sharply. Dubai said it would throttle back development and announced that one of its sovereign funds would start buying domestic real estate, an attempt to prop up the market. Debt wasn't a worry, officials said.

Associated Press

Sheik Mohammed bin Rashid Al Maktoum, front right on Nov. 15, has picked—and dumped—financial and economic advisers.

Developers, many of them state-owned, saw their cash flow disappear. Buyers, who could put as little as 10% down, stopped paying installments. Builders started complaining about missed invoices.

Sheik Mohammed turned to a new finance chief and in February, Dubai orchestrated a novel $20 billion bond program, of which the first $10 billion tranche was fully subscribed by the U.A.E. central bank. Dubai said it would use the money to meet its own debt obligations and unpaid bills by developers.

The U.A.E. offered more, but Dubai turned down the offer, according to one person familiar with the situation.

Just as investors started to breathe easier due to the big show of federal support, Sheik Mohammed dumped his new finance chief, with no explanation. Still, Dubai made its debt payments on time. In June, Dubai World, the biggest of Dubai's corporate entities, brought in restructuring outfit Alix Partners Ltd. to advise on an overhaul.

In mid-October, Dubai World said it would shed thousands of jobs and launch a major cost-cutting effort. Selling assets quickly wasn't a real option. Many of the company's businesses were still valuable but illiquid, according to a person familiar with the situation. The company wanted to avoid a fire sale, this person said.

Amid the restructuring effort, Mr. Sulayem, the chairman, was aloof, according to this person. His deputy, Jamal bin Thaniah, appointed chief executive in October, took on a more active role, this person said. Mr. Sulayem hasn't responded to requests for comment. A spokesman for Dubai World said he wasn't available.

A $3.5 billion sukuk, or Islamic bond, was coming due in December. While Dubai World signaled in the spring that a debt restructuring was an option, investors and analysts continued to expect a bailout.

In a letter to employees of Dubai World prior to last week's announcement on debt-delays, Mr. Sulayem said the Dubai government had assured the company "full support as an iconic company serving its role in the government's vision for the future." A spokesman declined to comment except to say the company will continue to communicate with staff about the restructuring, which "has been under way for some time and it continues."

Earlier in November, Dubai's top officials gathered for a meeting of Sheik Mohammed's royal court, according to a person familiar with the situation. At Zabeel Palace, surrounded by manicured gardens, statues of prancing horses, and flittering peacocks, Sheik Mohammed was briefed on the extent of Dubai World's troubles, this person said.

In the days that followed, Sheik Mohammed announced the removal of several top economic advisers from key positions, including Mr. Sulayem. Then, last Wednesday, Dubai said it had raised $5 billion in debt commitments from two Abu Dhabi-controlled banks.

Investors interpreted the move as another indication that the federal government would come to Dubai's rescue if needed. Two hours later, Dubai came out with its standstill announcement.

The sketchy nature of the announcement—a five-paragraph statement with few details—compounded the market mayhem. A spokesman for the department said he couldn't comment beyond the statement, and a spokesman for Sheik Mohammed's court didn't respond to a request for comment.

Late Thursday night, Sheik Ahmed bin Saeed Al Maktoum, a senior Dubai finance official and the chairman of the Emirates airline, issued a statement saying that the standstill announcement had been carefully planned and promised more details this week. "This is a sensible business decision," he said.

—Margaret Coker and Sara Schaefer Muñoz contributed to this article.

Dubai World trophy assets likely to go on sale

Continued from first page

tured under Dubai World's standstill notice is a S$558 million bilateral loan to Dubai World Finance, which represents 0.2% of DBS's balance sheet, it added.

In recent years, Dubai World diversified well beyond its roots in port operations. Many of those investments—in international property, entertainment and tourism—are now worth a fraction of what Dubai World paid. And a hasty, distressed sale of assets could make it more difficult to wring the most value out of its portfolio.

"It won't want to give an impression that there's a fire sale," said Fahd Iqbal, Persian Gulf strategist for Egyptian investment bank EFG-Hermes.

A spokesman for Dubai World declined to comment. A person familiar with the situation said that it's "too early to say" what Dubai World's view on asset sales would be, after last week's debt announcement. "But if someone came along with a fair value offer, this would be considered at the right price," this person said.

The company owns a number of solid businesses, including cash-generating port operations. Dubai World has signaled it won't part with its core DP World ports subsidiary. Last Thursday, it said DP World debt wouldn't be included in any debt standstill, suggesting its finances are sounder than the rest of the company.

Among some assets in the Dubai World portfolio that might be easier to offload are trophy properties or businesses with cachet, which might prove attractive, especially at today's lower prices.

"A number of these assets, especially those in London, would be sought after if Dubai World considered a sale," said James Lewis from the Gulf capital markets team at property consultant Knight Frank. "The trophy nature of its assets mean...an exit of these holdings may be easier than from some of its other global holdings."

Discounting would still likely be heavy. In November, Dubai World sold two properties on London's Regent Street and one property on Oxford Street to London property investors Great Portland Estates. It got just £10 million ($16.5 million) after paying about £80 million for the buildings two years earlier. Hotels could be even more trouble.

Reuters

An investor looks at stock information Monday at the Dubai Financial Market, where the main index fell 7.3%.

The company owns Nakheel Hotels, a chain of luxury lodgings that includes the new W Hotel in Washington, D.C., and the Turnberry golf resort in the west of Scotland. According to PKF Hospitality Research, supply growth in the luxury hotel sector has been much stronger than the industry as a whole since 2005, and revenue per available room, a closely watched figure in the hotel business, has fallen much more severely in that category.

—William Boston and Peter Grant in New York and Andrew Critchlow and Alex Delmar-Morgan in Dubai contributed to this article.

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Sands China slides in its debut

Hong Kong investors fret over valuation and casino firm's debt load; big development plans in Macau

By Amy Or
Hong Kong

Shares of casino operator **Sands China** Ltd. plunged on their trading debut as investors worried about valuation and the heavy debt the company has taken on to expand its Macau operations.

The Macau unit of **Las Vegas Sands** Corp. raised US$2.5 billion from the offering. But its shares closed down 10% at 9.32 Hong Kong dollars (US$1.20) on Monday, after having fallen as low as HK$8.78. By contrast, Hong Kong's benchmark Hang Seng Index rose 3.3%.

IPO FOCUS

Sands China was the exchange's second-most heavily traded stock, after HSBC Holdings PLC, with HK$2.15 billion of shares changing hands.

Las Vegas Sands Chairman Sheldon Adelson said at the listing ceremony that he wasn't disappointed with Sands China's performance on its first day and that he was confident about the company's long-term prospects.

Sands China's fall follows the 7% rise by its peer, **Wynn Macau** Ltd., on its debut in September, after raising US$1.9 billion from its IPO. Macau gambling stocks have rebounded lately because China is widely believed to have relaxed restrictions on travel to the territory, leading to a record 12.6 billion Macau patacas (US$1.6 billion) in gambling revenue in October.

Sands China priced its IPO, the world's seventh-largest this year, at HK$10.38, the low end of an indicative range.

Analysts said they weren't surprised by the weak debut.

"Its aggressive expansion plan has resulted in heavy indebtedness, and coupled with its unattractive valuation, I think the stock will remain underperforming in the near term," said Ernie Hon, a strategist at ICBC International.

The IPO price translates to an enterprise value of 13.5 times forecast 2010 earnings before interest, tax, depreciation and amortization, higher than Wynn Macau's 2010 valuation ratio of 12.7. Enterprise value is a measure that includes the company's debt as well as equity.

Sands China runs the Sands Macao and Plaza casinos and the huge Venetian Macao resort hotel. It has more than 3,500 hotel rooms and suites, more than 1,000 table games and 3,600 slot machines.

But the existing facilities are a fraction of what Las Vegas Sands, with Mr. Adelson at the helm, envisages for the former Portuguese enclave, now the center of gambling in China. The firm plans to build more than 20,000 hotel rooms from brands such as St. Regis, Sheraton, Shangri-La and InterContinental, among others, about 150,000 square meters of exhibition and convention space, more than 185,000 square meters of malls and six theaters.

The stakes held by Sands China's shareholders were immediately diluted as previously issued bonds were converted into stock. The casino operator said Monday that it exchanged US$600 million of bonds for shares, accounting for 6.2% of its enlarged share capital.

The bonds, issued to 26 wealthy individuals, hedge funds and private-equity funds in September, were exchanged for shares at 90% of Sands China's IPO price, its prospectus said.

Las Vegas Sands still controls roughly 70% of Sands China.

Sands China said Friday that it also raised US$1.75 billion in project financing to restart construction projects on two plots of land at Cotai Strip. Its IPO underwriters—Citigroup Inc., Goldman Sachs Group Inc., Barclays PLC, BNP Paribas SA, and UBS AG—committed more than 80% of the sum.

The company halted work on hotel complexes with more than 6,000 rooms in November 2008 due to a lack of funding. People close to the company said earlier that construction will resume in January, funded by proceeds from both the IPO and bank financing.

The company's plans are focused on a part of the city called Cotai, which is a few miles from Macau's traditional downtown gambling hub. Sands and others see Cotai as a potential place to build large casino-and-entertainment complexes that offer shopping and amenities in addition to gambling, in hopes that visitors will stay longer and spend more as they do on the Las Vegas Strip in the U.S.

Sands China has US$3.4 billion in outstanding debt and net current liabilities of US$1.3 billion. It has said it will use more than half its IPO proceeds to repay debt and to finance its Cotai Strip projects.

Bloomberg News

Sheldon Adelson, chairman of Las Vegas Sands, speaks at the listing ceremony of China Sands in Hong Kong on Monday.

Abu Dhabi, a new deal maker

By Margaret Coker

ABU DHABI—Amid debt-laden Dubai's yearlong retrenchment from global acquisitions, this neighboring emirate has stepped into the breach.

Late Sunday, the federal government of the United Arab Emirates, based here, said it will boost liquidity in local banks following Dubai's surprise announcement last week that it will ask borrowers to delay debt payments. Three days of global-market mayhem following the announcement has raised expectations that Abu Dhabi—which bailed Dubai out earlier this year, acting in its federal capacity—will come to the rescue again.

Officials from both emirates have long denied any competition between the two. But in recent months, as Dubai's star on the global-deals stage faded amid a property-market crash and a popping debt bubble, Abu Dhabi's has brightened.

Recently, it has accelerated its buying in a strategy unique among the world's handful of so-called sovereign-wealth funds. Government-linked entities have invested billions in blue-chip companies the world over, setting up related joint ventures and seeking out management roles with the aim of luring industries such as chemicals, semiconductors and aviation to its quickly growing city-state in the desert.

Abu Dhabi companies working under the watchful eye of the ruling Al Nayan family completed deals worth some $18 billion in the first half of 2009, according to Monitor Group, a London-based consultancy that tracks sovereign-wealth-fund activity. That accounts for more than half of all such activity for that period, Monitor Group says.

Over the past two years, Abu Dhabi has made some splashy deals. Its largest fund, the **Abu Dhabi Investment Authority**, poured $7.5 billion into **Citigroup** Inc. in November 2007. Even when that gamble went sour, the oil-rich city-state went with another financial-sector deal. In late 2008, Sheikh Mansour bin Zayed al Nayan, a royal family member and the head of one of Abu Dhabi's biggest state-controlled funds, leapt to the rescue of **Barclays** PLC, helping it raise approximately $8 billion in capital. He then sold a big chunk of those shares this year, almost doubling his money.

On top of these passive investments, Abu Dhabi has targeted cheap industrial assets or strategic tie-ups that officials plan to use to diversify their country's economy away from energy resources. The deals this year include the signing of an $8 billion joint venture with **General Electric** Co., a $1.8 billion purchase of Singapore's **Chartered Semiconductor Manufacturing** Ltd. and a 9.1% stake in **Daimler** AG,

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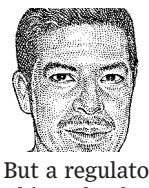
China's bank regulation offers needed reassurance

[The View from Hong Kong]

By Peter Stein



Dubai's debt woes and broad concerns about risk exposure rattled Asian markets last week. But a regulatory warning to China's banks should provide modest comfort to those worried about financial stability in this part of the world.

China's banking regulator publicly called on lenders to comply with requirements on the amount of capital they hold against the loans on their books; already, some banks have said they are "studying plans" to boost their capital. As is China's wont, the point last week was made with little subtlety: Those that don't comply will face consequences. They might not, for example, be allowed to open new branches or invest overseas.

China's stock markets, predictably, fell on the news. But the capital-adequacy warning is a welcome check on China's unbridled credit growth, and highlights China's surprising strength in the area of prudential banking regulation.

Any system in which state-directed lending can take precedence over proper credit-risk assessment has its flaws, of course. But while Western banking

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Boeing 777 safety warnings rejected

FAA to allow jetliners to keep flying through early 2011 despite suspect parts that have caused rare shutdowns

By Andy Pasztor

Rejecting safety warnings from crash investigators and pilots, federal aviation regulators have decided to allow more than 130 **Boeing** Co. 777 jetliners to continue flying long-distance international trips through early 2011 with suspect parts that have caused engines in extremely rare instances to ice up and basically shut down in midair.

The Federal Aviation Administration's move, announced last week, caps months of debate in the international aviation community about the potential hazards of ice plugging up certain internal piping parts and restricting fuel flow to engines built by **Rolls-Royce** PLC, particularly during extended, high-altitude flights crossing polar regions. Citing the possibility of engine shutdowns or emergency descents, critics wanted at least some of the suspect parts replaced by the end of this year, and in any event no later than mid-2010.

One reason for the later regulatory deadline is the limited availability of replacement parts, according to industry officials. The FAA rejected recommendations by the National Transportation Safety Board to order affected Boeing 777 operators to swiftly replace parts on at least one of the two engines on each aircraft. But maintenance officials at **AMR** Corp.'s American Airlines unit, a major Boeing 777 operator, said they still are pushing to complete such a partial replacement effort as quickly as possible.

Boeing officials have said the fixes so far are adequate to assure safety, but the company continues to study the technical issues and consult with regulators to determine future steps.

In releasing the long-awaited safety directive, the FAA determined that interim operational safeguards it previously imposed provide an adequate safety margin to put off permanent hardware fixes until January 2011. Ice-induced shutdowns covered by the latest FAA regulation are extremely rare, with only three events recorded over millions of flights. But when the problem suddenly crops up—as it did on a **British Airways** PLC jet that crashed short of a runway while approaching London's Heathrow Airport in January 2008—the result can be catastrophic. The plane was substantially damaged, and 13 people aboard sustained serious or minor injuries. A **Delta Air Lines** Inc. jet suffered a brief, single-engine thrust reduction in November 2008, while cruising at 39,000 feet from Shanghai to Atlanta's Hartsfield-Jackson International Airport.

The FAA's action came just a few days after the agency ordered stepped-up inspections of another type of widely-used Rolls-Royce engine. The agency said it acted "to prevent internal oil fires" that can cause certain parts of the engines to break off, perhaps shoot outside their protective covering at high speed and damage the airplane.

Less than nine months ago, the safety board was concerned enough about the phenomenon of ice buildup inside Rolls-Royce engines to issue urgent recommendations for redesign of the suspect parts. As an interim step, the FAA has mandated that pilots take certain precautionary moves to prevent ice from building up inside sections of the engine-fuel tubing and restricting fuel flow to the engines..

In urging more aggressive action to deal with the complex problem, the safety board told the FAA that the extended phase-in of the new part wasn't consistent with the risk stemming from the original design.

Rolls-Royce has indicated it is cooperating with Boeing and European jet maker Airbus, which also uses its engines, to analyze the icing phenomenon.

Representatives of the Air Line Pilots Association, the largest pilot union in North America, separately urged faster action on the grounds that Boeing 777 planes often operate "over oceanic and geographically remote areas where radar surveillance may not exist and communications with the air-traffic control [systems] is encumbered by language limits [and] poor radio reception," according to the FAA regulation. Under such circumstances, the pilot group told the FAA, crews could be faced with an immediate descent without adequate time to compensate.

Associated Press

Workers examine the engine of a British Airways plane that crash-landed in London on Jan. 20, 2008.

Kumho chooses bidders for its car-rental unit

By Ellen Sheng And Jung-Ah Lee

SEOUL—A partnership of South Korea's largest fixed-line telephone company, **KT** Corp., and private-equity firm **MBK Partners** has been picked as the preferred bidder for Kumho Rent-A-Car Co., according to a regulatory filing.

The sale follows a growing trend of private-equity deals in South Korea. It is also the latest transaction managed by state-run **Korea Development Bank**, the main creditor of Kumho Asiana Group.

KDB has been forcing the conglomerate to sell assets because of liquidity problems.

Kumho Asiana also has interests in airlines, construction and logistics.

The latest filing didn't give details about the price.

Kumho Rent-A-Car, which was founded in 1990, is the official Hertz licensee for Korea. It has 160 branches throughout the country and more than 50,000 vehicles in its fleet.

Kumho Rent-A-Car is wholly owned by **Korea Express** Co., a Kumho Asiana affiliate and South Korea's largest logistics firm by revenue.

Kumho Asiana announced in November that five companies had submitted offers to acquire Kumho Rent-A-Car.

Private-equity firms have been busy in South Korea in recent weeks as many investors remain fairly upbeat about the Asian consumer sector despite the global financial crisis.

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Agence France-Presse

AkzoNobel CEO Hans Wijers, above in London in 2007, expects Europe and North America to be lower-growth areas.

Akzo adjusts its strategy

Paint maker to focus investment on China, other emerging markets

By Bart Koster And Maaike Noordhuis

AMSTERDAM—Hans Wijers, chief executive of paint maker **AkzoNobel**, is pinning its growth expectations on emerging markets.

"What we see is that the two traditional dominant markets, the U.S. and European Union, have matured and stabilized and will become less dominant," Mr. Wijers said.

"The focus for growth will be in emerging markets like China, India and Brazil," he added.

While China is the company's second-largest market after the U.S., "for India we see in the next 10 years the same growth potential we saw in China in the past 10 years," Mr. Wijers said. "In these countries we see average annual paint consumption growing from one to two liters of paint per head of the population to eight to nine liters per year. On the billion-plus population numbers of these countries, that's huge," he said.

Future growth will be located in China's east coast port of Ningbo, where Akzo intends to build several different production processes, thereby increasing cost effectiveness. The company has so far invested €250 million ($374 million) in the site.

In Europe and North America, Akzo expects more opportunities for consolidation, and Mr. Wijers wants to play a key role in those regions as well. AkzoNobel announced on Nov. 12 the acquisition of the powder-coatings activities of U.S. peer Dow Chemical Co., adding annual sales of several hundred million dollars and 700 people.

Since his appointment to AkzoNobel in 2003, Mr. Wijers helped turn around the former conglomerate, which then consisted of pharmaceuticals—with products such as birth-control pills and antidepressants—an industrial-chemicals businesses and the paint-and-coatings division.

But it was the January 2008 acquisition of British paint maker ICI, bought for £8.1 billion ($13.3 billion), that expanded the company's horizons. The purchase brought AkzoNobel leading positions in the decorative-paint markets in North and South America and Asia, on top of its prominence in the coatings markets and traditional dominant position in European markets. AkzoNobel became the world's No. 1 paint maker in terms of sales with a market share of 14% to 16%.

Mr. Wijers sees the recession as a crisis that will fundamentally change the global economy—in that Europe and North America will be lower-growth areas. As a result, Akzo is to restructure its decorative-paints businesses in Europe. Whereas previously the company had planned to run separate national subsidiaries, it now intends to run its European paint operations as a single business and reduce its number of brands to two or three from about 80.

Mr. Wijers said Akzo's strategy will revolve around "building a portfolio of superior brands and margins in main markets, reaching a 14% target for earnings before interest, taxes, depreciation and amortization and reducing working capital by 0.5% per year."

The company targets cost savings of €540 million in 2011, but in an explanation regarding the latest third-quarter results, Chief Finance Officer Keith Nichols said the company will definitely exceed this target, because €530 million was already reached, mostly from restructuring measures.

Part of the improvement in working capital and cost savings will be reinvested "aggressively" in building AkzoNobel's position in emerging markets, Mr. Wijers said. "The name of the game will be accelerating growth there."

After selling the pharmaceutical businesses to Schering-Plough, Mr. Wijers used the proceeds to acquire ICI to become the world's largest paint maker in sales and market share, with brands such as Dulux and Glidden.

U.K. struggles to file Madoff-related charges

By Cassell Bryan-Low

LONDON— British authorities investigating Bernard L. Madoff's fraud are unlikely to prosecute anyone who worked at his U.K. business, according to people familiar with the matter, despite authorities on both sides of the Atlantic having said they believed Mr. Madoff's operations here played a role in the fraud.

Investigators at the U.K. Serious Fraud Office, known as the SFO, continue to probe whether there is scope to file charges in relation to money-management firms that channelled client funds into Mr. Madoff's Ponzi scheme, the people said. But it may be at least a couple of months before they know whether there is sufficient evidence to press charges, they added.

It has been almost a year since Mr. Madoff's Ponzi scheme came to light. He was arrested in December 2008. Mr. Madoff earlier this year pleaded guilty to bilking investors in a multibillion-dollar fraud run through the investment-advisory arm of his business and was sentenced to 150 years in prison.

Two other individuals in the U.S., including Mr. Madoff's former accountant, have pleaded guilty to fraud. In November, federal prosecutors in Manhattan brought criminal charges against two men for allegedly being the technological brains behind Mr. Madoff's scheme, and suggested that charges against others could follow.

In the U.K., SFO officials earlier this year said they suspected that criminal offenses had been committed by people other than the New York financier, and indicated they expected to make a decision on filing charges by the end of 2009.

But the challenge investigators have found in building a prosecution relating to Mr. Madoff's London office, which employed about 25 people, is proving that employees were knowingly involved in the scheme. U.K. employees have said they were unaware of the fraud. A final decision is due in the coming weeks.

The effort to build a case against fund firms that funneled client money to Mr. Madoff's Ponzi scheme faces a similar hurdle. Investigators are looking, among other things, at whether there were funds moved by these firms after Mr. Madoff's fraud came to light and was reported by the international press in mid December 2008, meaning people at the funds would have been in full knowledge of allegations regarding criminal acts, one of the people familiar with the matter said. That could include the movement of money earned as commission.

Still, difficulties remain in pursuing charges, including jurisdictional issues. That is because so-called feeder funds may have had operations in the U.K. but were headquartered overseas and operated their actual funds in a third jurisdiction.

In 1983. Mr. Madoff opened a London office, which later moved to a townhouse in the tony district of Mayfair. Authorities have said that they believed the U.K. operations did at least some legitimate business, primarily trading shares of large-capitalization stocks and currency. The London arm wasn't particularly profitable, however.

The U.S. government, in its criminal charges against Mr. Madoff, said the financier used the U.K. operations to launder client money by transferring it from the investment-advisory business in New York to London and then back to the U.S. Starting as early as 2002, Mr. Madoff "caused more than $250 million" of advisory-client money to be directed to accounts held by the London operation, the U.S. government had said in its charges.

Samsung's handset sales on track

By Jung-Ah Lee

SEOUL—**Samsung Electronics** Co. said Monday that it is on track to exceed its 2009 handset-sales target of 200 million units, partly helped by brisk sales of touchscreen hand-held devices.

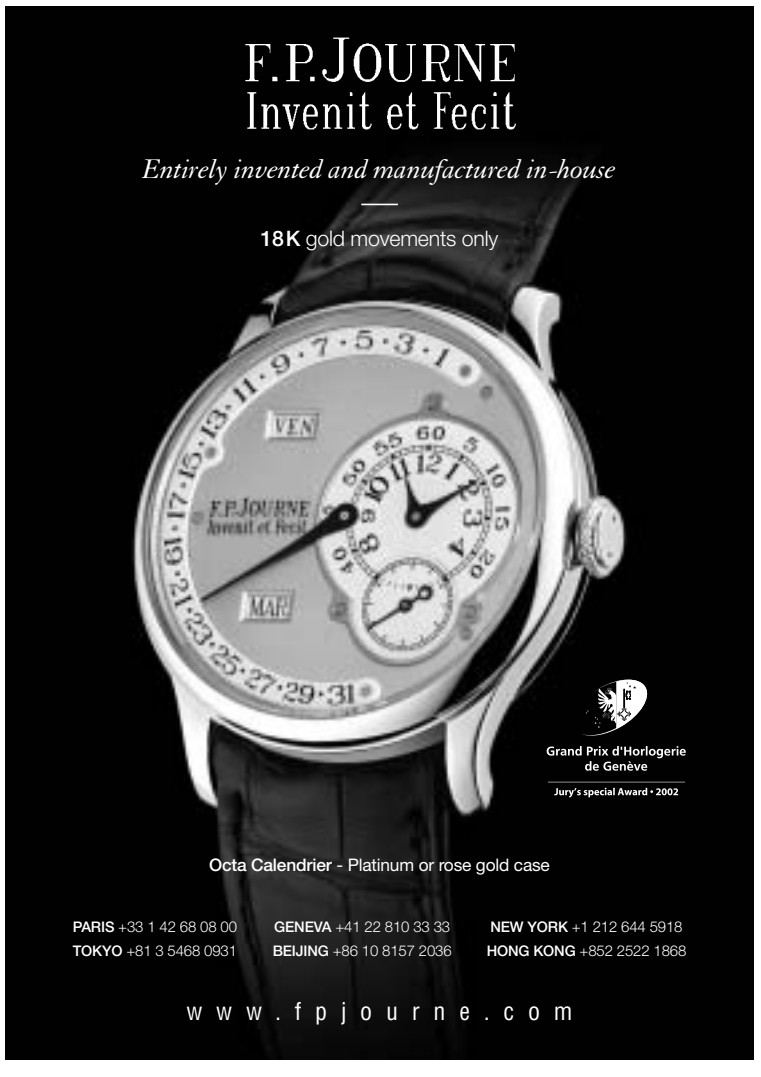
Samsung, which is trying to secure its market position in the fast-growing smart phone segment amid the recent entry of **Apple** Inc.'s iPhone into the domestic market, said it sold around 40 million full touchscreen devices in the January-November period, compared with around 10 million sold last year.

The company didn't mention by how much it expects to exceed the target. In 2008, Samsung sold 197 million mobile phones. The company is the world's second-largest handset vendor by shipments after Nokia Corp.

Apple's iPhone, which received about 40,000 pre-orders, went on sale in South Korea Saturday. Samsung recently slashed the price of its PC-type touchscreen phone, the Omnia, in an effort to compete with the iPhone.

Samsung also said it will continue to expand in the global touchscreen phone market by introducing new models that are tailored to individual regions and that come with cutting edge features, said J.K. Shin, executive vice president.

Samsung said its touchscreen models account for around 20% of total mobile-phone sales this year, compared with about 5% last year.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Hawker turns its focus to military

U.S. maker of corporate jets hopes Pentagon contracts can pick up slack in civilian business

By Peter Sanders

WICHITA, Kan.— Hobbled by the sharp drop in new sales of corporate jets and small planes, aircraft maker **Hawker Beechcraft** Corp. is trying to attract the one customer still spending: the U.S. government.

Hawker, one of the oldest aviation companies, in the U.S., has embarked on an aggressive push to expand its military-aircraft business in the hopes of sharply increasing its contracts from the Pentagon and foreign militaries.

At the National Business Aviation Association trade show in Orlando last month, Hawker Chairman and Chief Executive Bill Boisture went so far as to don a dark-blue military flight suit as part of his pitch for the company's military programs.

"We're planning to ride out a bumpy bottom on the new business-jet side until 2012," Mr. Boisture said in an interview, "so we're fortunate to have the cushioning afforded us by the [military] contracts."

In the quarter ended Sept. 27, Hawker, which is jointly owned by **Goldman Sachs Group** Inc. and an affiliate of the private-equity firm **Onex** Corp., reported losses of $684 million on revenue of $758 million.

The mainstay of its business—sales of business jets and general-aviation planes—totaled $504 million, down from $604 million a year earlier. Its one bright spot was revenue from its military-trainer-aircraft business, which rose to $170 million from $77 million the year before.

Hawker is convinced that its military sales could rise even more. It has provided the Pentagon with a plane for basic pilot training for the past eight years and has exported that aircraft to military forces world-wide. Now it is trying to expand its military business with a new version of the plane. Hawker says the two-seat, single-engine, high-performance propeller craft could be used as an advanced training plane or be armed as an attack plane to do battle against ground forces.

U.S. Air Force

A Hawker T-6 trainer plane taxies out at Randolph Air Force in Texas,.

With defense giant **Lockheed Martin** Corp., Hawker Beechcraft plans to formally bid on a contract to supply the Air Force with 100 of the planes, as well as a contract to provide up to 20 of them for the fledgling Afghan National Army Air Corps.

The Air Force isn't expected to award the contract until next year. Brazilian aerospace manufacturer **Empresa Brasileira de Aeronáutica** SA could also make a bid.

Last November, Hawker, working with **L-3 Communications Holdings** Inc., landed a contract to eventually sell 29 of its popular King Air turboprops configured as surveillance planes for the military.

The manufacturer's strategy to diversify comes as the Pentagon is seeking cheaper weapons systems to fight today's wars. It is eschewing costly programs like fighter planes and missile-defense systems in favor of cheaper alternatives that can be quickly deployed to places like Afghanistan.

That strategy has opened up opportunities for other industrial manufacturers aiming to use Pentagon sales to offset weak commercial business. Truck maker **Oshkosh** Corp., for example, recently won billions of dollars in contracts to build thousands of military-grade trucks and blast-resistant armored vehicles for the U.S. military.

But it's unlikely that military contracts can make up for the downturn in Hawker's general aviation business. Its rivals, such as **Textron** Inc.'s Cessna Aircraft Co. and **Bombardier** Inc.'s Learjet, have all been slammed by the industry downturn, laying off thousands of employees and scaling back production.

Hawker itself has announced more than 2,800 layoffs, and in November it said it would close a factory in Salina, Kan., eliminating 238 additional positions. The company has also significantly cut production of its civilian airplanes.

At its sprawling site here in Wichita, located at its own airfield, some of its business-jet assembly lines sit idle, while production of its popular Baron and Bonanza general-aviation propeller models has been cut in half, according to a person familiar with the details.

But at least one building on the premises buzzes with activity as workers build variants of the popular T-6 basic military trainer. Hawker has built almost 570 of the planes since the Air Force chose it as its new basic pilot trainer in 2001. Since then, the U.S. Navy and militaries in Israel, Greece, Morocco and Iraq have bought variants of the plane.

If it wins the new Air Force contract, the company will use the work to buffer what industry experts believe will be a slow general-aviation-industry recovery that won't begin in earnest until 2012.

—August Cole contributed to this article.

B&N is holding back the Nook from its stores

By Jeffrey A. Trachtenberg

Barnes & Noble Inc. began shipping its new $259 wireless Nook electronic-book reader Monday, as expected, but said on Sunday that demand has been so strong that it won't have any available for sale or for demonstration purposes in stores until Dec. 7.

Barnes & Noble, the largest bookstore retailer in the U.S. as measured by sales, originally had said it would have the Nook in certain high-volume stores on Monday.

However, Mary Ellen Keating, a spokeswoman for Barnes & Noble, said that "due to high demand, we are prioritizing pre-orders so that those people who ordered before Nov. 20 will receive them for Christmas."

As a result, there will be a week delay in shipping the Nook to stores.

Barnes & Noble, which unveiled its Nook on Oct. 20 to compete directly with **Amazon.com** Inc.'s Kindle e-book reader as well as devices from **Sony** Corp. and other manufacturers, has declined to say how many Nooks have been sold or how many would be available during the Christmas period.

On Nov. 20 Barnes & Noble said that the Nook was out of stock for the holidays and that customers who ordered the Nook from that point forward wouldn't receive the device until the week of Jan. 4.

The New York-based retailer earlier described the Nook as its "fastest-selling product."

Barnes & Noble has steadily warned customers to order the Nook early so that they would be assured of receiving it by Christmas Day.

'Cyber Monday' promotions draw in Web shoppers

By Geoffrey A. Fowler

Online shopping sites offered deeper discounts and pushed new technology to connect with consumers on Cyber Monday, in what's shaping up to be a strong post-Thanksgiving sales period for Web retailers.

At **GSI Commerce** Inc., which runs about 100 Web sites for brands including Aeropostale and GNC, said that consumers began hitting Web sales early in the morning on Cyber Monday, thanks to aggressive promotions on Sunday. GSI also said that same-store sales on Thursday through Sunday increased 17% over the same period last year.

All indications are that Cyber Monday was to be a strong day across the industry," said Fiona Dias, the executive vice president of strategy and marketing for GSI.

The early signs of a strong online shopping day on Monday follow a report by **comScore** Inc. that U.S. Internet shoppers spent $595 million on Black Friday—the Friday after Thanksgiving—up 11% from last year. **EBay** Inc.'s PayPal, which handles online payments across a range of U.S. e-commerce sites, reported a 20% increase in payments volume on Black Friday.

Cyber Monday sales could exceed $900 million this year. That assessment from comScore is based on online sales momentum coming into and during the Black Friday weekend and retailers' continuing to offer so many promotions, said Andrew Lipsman, analyst at the Web tracking service.

Associated Press

A worker ends a package on its way at an Amazon.com warehouse in Goodyear, Ariz.

"Black Friday will probably be a pretty reasonable indicator of what happens on Cyber Monday," Mr. Lipsman said. "We would expect strong growth rates."

Cyber Monday sales last year were $846 million, with the potential $900 million in sales this year representing a 6% increase.

Cyber Monday, a term coined by the National Retail Federation in 2005 as the online equivalent to Black Friday, isn't the largest online shopping day of the year. Last year that was Dec. 9 —closer to the deadline for shipping purchases by Christmas—while Cyber Monday came in third, according to comScore. On Dec. 9, 2008, $887 million in online sales were posted.

The influence of Cyber Monday, however, has grown as more retailers try to shift online shopping to earlier in the season, by piling on more discounts.

According to a survey conducted by the National Retail Federation's Shop.org division, some 87% of American retailers are hosting special Cyber Monday promotions, up from 84% last year. It also found that 96.5 million Americans plan to shop online on Cyber Monday—mostly from home—up from 85 million last year.

Online shopping tapered off somewhat on Saturday, before gaining momentum again on Sunday, when many retailers began posting their Cyber Monday deals, said John Squire, chief strategy officer of Coremetrics Inc., a Web analytics company that tracks shopper behavior on the sites of more than 500 U.S. brands.

J.C. Penney Co., in what it called "the biggest cyber sale in its history," launched two days of Cyber Monday sales on Sunday with discounts on more than 30,000 items and free shipping on purchases of more than $25.

Blue Nile Inc. offered a 25% discount on a limited-edition diamond bracelet for just 24 hours on Monday, along with free overnight shipping on all orders.

And online retail giant **Amazon.com** Inc., which in the past has played down the relative importance of the day, promoted a special selection of Cyber Monday Deals on its Web site. "It isn't our biggest day, but it's an important day," said Paul Ryder, Amazon's vice president of electronics.

Online retailers also turned to new technology to connect with shoppers and market special deals over the holidays, including Twitter feeds listing the flash discounts and online coupons passed through social networks.

Mobile apps are also emerging as an important new shopping tool. EBay said a "deals" app for the iPhone that it released right before Black Friday had been used more than 50,000 times. The app provides a stream of offers from the site's millions of listings when shaken.

Thomas Cook targets Russia, China

Expansion for travel business is seen in those regions as Western Europe stalls amid the economic downturn

By Lilly Vitorovich

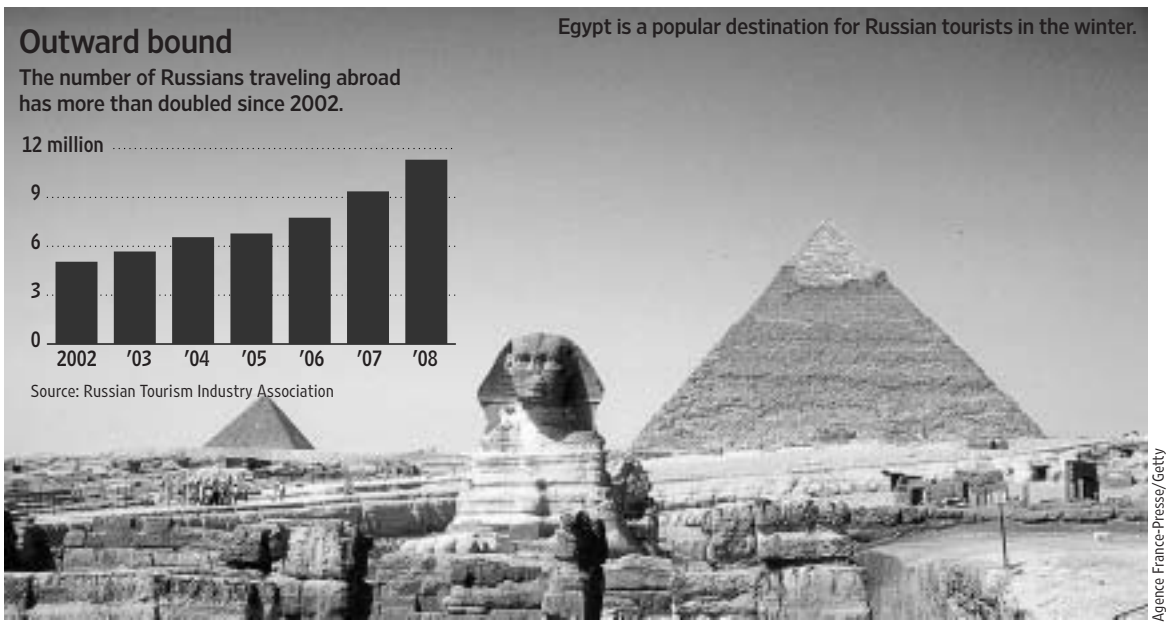
LONDON—U.K. travel companies **Thomas Cook Group** PLC and **TUI Travel** PLC are targeting Russia and China for expansion as markets in Western Europe stagnate during the economic downturn.

Reporting higher revenue and earnings for its latest fiscal year, Thomas Cook on Monday said it expects to enter the Russian tourism market with an acquisition by the first quarter of 2010. Chief Executive Manny Fontenla-Novoa said the company is undertaking due diligence regarding an unnamed Russian company, which also has retail operations.

"This is not a huge deal," he said, indicating the value would be from £10 million to £99 million ($16 million to $163 million).

Thomas Cook's focus on Russia comes after rival TUI Travel said earlier this year it was targeting Russia for expansion. In April, it announced a joint venture with S-Group Capital Management Ltd. to develop its Russian and Commonwealth of Independent States leisure tourism presence, and in September said it was looking for acquisitions in emerging markets with a focus on Russia and CIS.

"We are particularly encouraged by the opportunities in Russia and China, which are expected to become two of the largest travel markets within the next few years," Thomas Cook said. The group is yet to enter the Chinese market.



Agence France-Presse/Getty

The Russian Federation outbound tourism market was valued at $24.9 billion in 2008, according to the United Nations World Tourism Organization. The Russian outbound and domestic tourism market grew 17% a year between 2000 and 2009, and is forecast to grow 12.7% annually between 2009 and 2014, according to the World Travel and Tourism Council.

Thomas Cook said Monday that trading has strengthened in its major markets since September. Its main markets currently are the U.K., the Nordics, Germany, France, the Netherlands and Belgium.

U.K. travel companies have proved resilient during the downturn. They have experienced some weakening in demand and customers are booking later than normal, but they have maintained prices and protected margins by reducing the number of holidays available.

Excluding exceptional items, earnings before interest and tax—the key figure tracked by U.K. analysts—rose 13% to £414.9 million in the year ended Sept. 30, beating market expectations of £403 million. That compares with a pro forma figure of £365.9 million a year earlier.

Net profit rose 46% to £15.8 million in fiscal 2009 from a pro forma £10.8 million, driven by an increase in revenue, lower finance costs and summer holiday bookings.

That compares with a net loss of £175.6 million for the nine months to June 30.

Thomas Cook has been selling more all-inclusive holiday packages as well as accommodation at four- and five-star hotels, which are more profitable for the company. The group also is negotiating for better deals with suppliers, particularly hotel groups, Mr. Fontenla-Novoa said. Thomas Cook spends about £3 billion a year on accommodation.

Annual revenue rose 5.9% to £9.27 billion, broadly in line with expectations of £9.29 billion, after the company increased the price of some holidays and the pound's weakness boosted revenue from outside the U.K. That compares with a pro forma £8.75 billion a year earlier. Thomas Cook has restated its fiscal 2008 results because of a change to its year end.

In August, Thomas Cook said it will meet its fiscal 2009 targets despite a widened net loss for the first nine months of the year. But the group warned it won't make the £480 million in EBIT it had targeted for fiscal 2010 because of the industry downturn. Market consensus has declined to about £420 million for fiscal 2010, Mr. Fontenla-Novoa said.

Thomas Cook said its financial position remains robust following speculation that it will have to raise capital to pay down debt. The company's net debt more than doubled to £675.3 million at the end of September from £292 million a year earlier because of the completion of its share-buyback program, acquisition payments as well as costs related to restructuring initiatives.

Thomas Cook declared a final dividend of seven pence a share, up from 6.5 pence a year earlier. That takes the total for the year to 10.75 pence, up 10% from 9.75 pence a year earlier.

Caterpillar to acquire South Korean supplier

By Bob Tita

Caterpillar Inc. said it will buy a South Korean company that makes components for the U.S. company's construction equipment.

Caterpillar, the world's largest maker of earth-moving and mining equipment by sales, said the acquisition of JSC Co. from **Jinsung T.E.C.** Co. will aid in its expansion strategy for Asia and strengthen its supply chain in the region.

"South Korea is growing in importance as a market for Caterpillar products and as a potential location for manufacturing in the region," Rich Lavin, Caterpillar's group president for the Asian-Pacific region, said Monday.

Caterpillar doesn't have a manufacturing presence in South Korea. But the Peoria, Ill., company competes elsewhere with South Korea's **Doosan** Corp., an industrial conglomerate that includes a construction-equipment unit.

Terms of the JCS acquisition weren't disclosed. The deal is expected to close early next year.

JCS will provide Caterpillar proprietary technology to produce seals that improve machine-undercarriage reliability and durability. Jinsung—which supplies Caterpillar with rollers, idlers and other parts—specializes in building undercarriage components for off-road machinery.

Caterpillar's earnings plunged as construction demand dried up during the global downturn. But the company in October posted better-than-expected third-quarter profit.

Sanofi mulls possible director

By Jeanne Whalen

French businessman Serge Weinberg has been approached about joining the board of French drug giant **Sanofi-Aventis** SA, according to people familiar with the matter, one of whom said he is being considered for the job of chairman.

Sanofi's current chairman, Jean-Francois Dehecq, is set to step down next year, when he will turn 70, the maximum age the company allows for that job.

Mr. Weinberg is chairman of the private-equity firm he founded, **Weinberg Capital Partners.** Earlier, he was chief executive of luxury-goods company **PPR** SA, which owns the Yves Saint Laurent and Gucci brands.

Until recently he was also chairman of French hotel company **Accor Group.**

Mr. Weinberg didn't immediately return a phone call to his office. A Sanofi spokesman declined to comment.

All Brokers Are *Not* Created Equal

US Commission Rates Comparison

	100 Shares	1 Stock Option	1 E-mini S&P 500 Future
E-Trade	$7.99 [1]	$8.74 [1] Plus regulatory fees	$2.99 Plus exchange fees
Fidelity	$8.00 [2]	$8.75 [2]	N/A
Interactive Brokers*	$1.00 [3]	$1.00 [3]	$2.40 [3]
optionsXpress	$9.95 [4]	$12.95 [5]	$6.99 [6]
Schwab	$8.95 [7]	$9.70	N/A
TD Ameritrade	$9.99	$10.74	N/A
thinkorswim	$5.00	$2.95	$3.50

Commission Comparison as of November 2, 2009. Services vary by firm. Data is for U.S. equities, stock options and futures.

***Lower commission rates for larger volumes and comparable rates worldwide.**

US Margin Loan Rates Comparison

	$25K	$200K	$1.5M
E-Trade	7.49%	5.99%	3.74%
Fidelity	7.575%	6.575%	3.750%
Interactive Brokers	1.61%	1.11%	0.61%
optionsXpress	6.25%	5.00%	4.00%
Schwab	8.00%	6.875%	6.25%
TD Ameritrade	8.50%	7.25%	6.25%
thinkorswim	7.70%	7.70%**	7.70%**

Margin Rate Comparison as of November 2, 2009. Services vary by firm. **Negotiable

Superior price execution[8], lowest commissions[9], IB has direct access to 80 markets worldwide and financial strength for individual and institutional traders.

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MARKETS

Mideast stocks drop on Dubai fears

By Nikhil Lohade

DUBAI--The stock market in Dubai slumped by the largest percentage in more than a year amid concerns about the city-state's credit-worthiness after one of its flagship companies asked for a standstill agreement on its debt as it restructured operations.

Dubai's main index of stocks tumbled 7.3% on Monday to 940.36, while neighbor Abu Dhabi plunged 8.3% to 2668.23. The losses helped wipe off a combined $9 billion of value from U.A.E. markets.

"The selloff was ugly," said Mohammad Ali Yasin, managing director at Shuaa Securities. "We are likely to see the markets trade lower Tuesday, going by the sell orders today, but they will stabilize later on."

The fall came before a top Dubai government official told state-run Dubai TV that the government won't guarantee the debt of **Dubai World** and said creditors should help it restructure. Government-owned Dubai World, a conglomerate with interests spanning real estate, ports and leisure businesses, is struggling to deal with its debt and almost $60 billion of liabilities.

"Creditors need to take part of the responsibility for their decision," said Abdulrahman Al Saleh, director general of Dubai's Department of Finance. He said that while the government owns the company, it isn't guaranteed by the government.

Separately, Moody's Investors Service Inc. said the planned restructuring of Dubai World is unlikely to threaten the credit quality of the government of Abu Dhabi or the federal government of the United Arab Emirates.

Moody's rates both the U.A.E. and Abu Dhabi at Aa2, with a stable outlook. Dubai and Abu Dhabi are two of the seven emirates that comprise the U.A.E.

Meanwhile, Dubai World unit Jebel Ali Free Zone Authority, or Jafza, made a coupon payment due Monday on a 7.5 billion U.A.E dirhams ($2.04 billion) Islamic bond, or sukuk, a bondholder said.

"It has already been paid," the bondholder told Zawya Dow Jones.

The coupon payment was estimated to be 125 million dirhams to 135 million dirhams, according to analyst calculations. The sukuk was issued in November 2007 through a Cayman Islands-registered company called JAFZ Sukuk Ltd.

A spokesman for Dubai declined to clarify whether Jafza was included in the standstill request, which still needs to be accepted by creditors.

Agence France-Presse/Getty Images

Investors follow the Abu Dhabi market's movement on monitors Monday.

In the stock market, most U.A.E. shares closed near the bottom of their daily trading limits, which is 10% for liquid stocks. Dubai limits falls of less-frequently traded shares to 5% in one session. Bellwether **Emaar Properties** PJSC fell 9.9%, while lender **Emirates NBD** shed 5%, both in Dubai. **Aldar Properties** PJSC slid 10%, and **National Bank of Abu Dhabi** plunged 9.7%, both in Abu Dhabi.

DP World, majority owned by Dubai World and listed on Nasdaq Dubai, tumbled 15%. DP World's share price is expected to remain volatile until the situation with regard to Dubai World becomes clearer, UBS analysts wrote.

Late last week, Dubai said it plans to restructure Dubai World, which is struggling with liabilities of about $60 billion, and will seek a debt standstill from creditors. The news sparked fears of a default. The news sent global markets tumbling late last week.

Stocks in Asia regained ground on Monday after the United Arab Emirates' central bank said it would support local and international banks with exposure to Dubai debt. Stocks in Europe and the U.S. steadied somewhat, with declines of about 1% at midday in New York.

Investors await more detail about Dubai's debt. It could total $150 billion if bilateral loans are included, EFG Hermes said, noting its $84.2 billion estimate for Dubai's debt only includes obligations such as bonds, sukuk and syndicated loans for Dubai Inc. companies.

"I think it's all an overreaction. So what if Dubai is restructuring its debt? We always knew that was the scenario," said Rabih Moraabi, who has been trading daily on the Abu Dhabi stock exchange floor for the past six years. "Six years and I've never seen something like this."

—Mark Brown in London and Maria Abi-Habib in Dubai contributed to this article.

China's banking rules reassure

Continued from page 21

regulators fell under the spell of Basel II guidelines that allowed banks to judge the risk of their own assets, China has largely kept its regulation focused on a few old-fashioned basics.

These include a cap on loan-to-deposit ratios of about 75% (the actual ratio is more like 67%), leverage ratios in the single digits—well below what the big U.S. banks were allowed to accumulate—and mandated provisions equal to 150% of reported exposure to loan losses. Home buyers can borrow only up to 70% of the value of their property, and 60% if it's a second purchase.

Liu Mingkang, the chairman of the China Banking Regulatory Commission, summed up China's preference for conservative regulation with almost poetic simplicity at the annual meeting of the International Institute of finance in Beijing in June: "Basel II is problematic; traditional ratios are still useful," he said. "Small is beautiful and old is beautiful as well." (Read: Lower is better than higher leverage and well-tested ways of controlling risk are better than newer, untested ones.)

U.S. banking regulation can't help looking inadequate in comparison. This fact wasn't lost on attendees of The Wall Street Journal's China Financial Markets conference in Beijing in early November. When they were asked whether banking regulation was better in the U.S. or China, about two-thirds of those who responded chose China.

Speaking at the conference, Fang Xinghai, director-general of Shanghai's financial-services office, described the difference between the Chinese and U.S. approaches to regulation even more succinctly. "In the U.S., the regulators don't believe in regulation to begin with," he said, citing, among other things, former Federal Reserve Chairman Alan Greenspan's belief that the Fed's job wasn't to prevent or deflate assets bubbles, but to "deal with the consequences."

Bloomberg News

Liu Mingkang, chairman of the China Banking Regulatory Commission

Mr. Fang's assessment is brutal but understandable. The recent history of U.S. banking regulation shows that "it went off the rails on the rational-markets hypothesis," says Arthur Kroeber, managing director of Dragonomics, a research firm in Beijing. In the end, he says, "Chinese banks have been proven to be more prudential."

Other banking regulators besides China's deserve credit for holding some of the same virtues. Despite exposure to an overbuilt property market, Spain's banks avoided trouble in the crisis in part because all their assets had to be consolidated on their balance sheets—no "special-investment vehicles" for holding risky debt off the books were allowed.

Here in Hong Kong, a city where property booms and busts seem to come as frequently as typhoons, the monetary authority has a good track record at keeping mortgage lending from posing systemic problems for the territory's banks by requiring hefty deposits on home purchases.

Chinese regulators have good reason to be prudent. A large chunk of the Tier 1 capital at Chinese banks, for instance, is made up of subordinated debt, which is generally considered inferior to equity. Much of it is held by other banks. Also, there's undoubtedly plenty of nasty stuff lurking in the loan books of China's banks, much of it classified as "special mention" instead of nonperforming. The $1 trillion in loans issued in the first half of this year with the government's blessing will likely lead to more of that. Even as China's banks raise new capital, their loan books look set to face new strains thanks to the Politburo's decision to continue stimulus policies through 2010.

As long as enough of the lending goes toward projects that contribute to growth, such as trains, bridges and schools, the risk may not matter much to Beijing. The demands of China's economy are such that some efficiency can be sacrificed for the greater good.

Eventually, though, Chinese regulation will need to become less discretionary. "It's a legitimate worry," says Mr. Kroeber. "Will they evolve a system with a rules-based environment?"

For now, though, as the world remains vigilant for further fallout from credit binges, the discretion that China has so far exercised in regulating its banks should offer some degree of reassurance.

Abu Dhabi as deal maker

Continued from page 21

bought for $2.7 billion.

"We're expanding into all different kinds of things," says Waleed al Muhairi, director general of the Abu Dhabi Council for Economic Development, run by leading government and private-sector officials.

Mr. Muhairi is one of a handful of Emiratis in charge of investment strategy at Abu Dhabi's alphabet soup of sovereign-wealth funds. He is the chief operating officer of **Mubadala Development** Co. and chairman of **Advanced Technology Investment** Corp., or Atic, which entered a joint venture with U.S.-based **Advanced Micro Devices** Inc. to manufacture semiconductors.

Abu Dhabi is the capital of the United Arab Emirates, a confederation of seven city-states including the region's financial hub, Dubai. Its biggest and oldest fund, the Abu Dhabi Investment Authority, is largely seen as the world's biggest sovereign-wealth fund by assets, estimated at more than $600 billion.

As the global downturn hit the booming Persian Gulf late last year, Abu Dhabi officials were just then developing a 20-year economic plan. The highly centralized government turned to its smaller, more nimble investment vehicles to kick-start their plan to build chemical, high-tech and industrial bases as a way to diversify out of oil.

In March, **Aabar Investments** PJSC, a 4-year-old Abu Dhabi fund, bought a 9.1% stake in Daimler, making it the car company's largest single investor. In a separate deal, it bought 40% of Daimler's stake in U.S. electric-car start-up **Tesla Motors** Inc., giving Aabar 10% of Tesla.

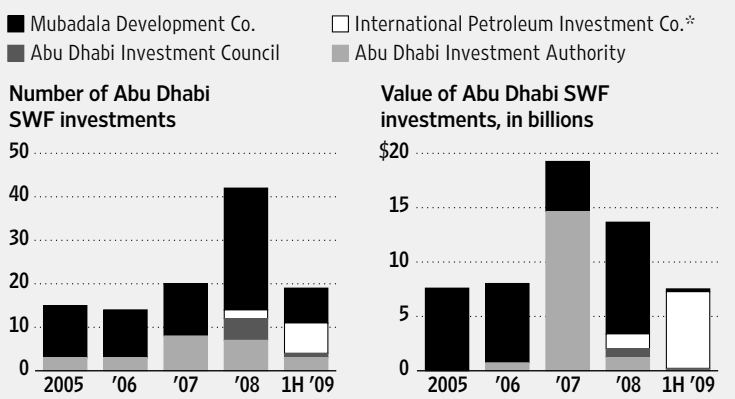
In late 2007, Mubadala pumped money into struggling AMD. Then, in March 2009, the U.S. chip maker spun off its manufacturing business in a joint venture with Mr. Muhairi's Atic, called GlobalFoundries. At the same time, Mubadala doubled an existing stake in AMD to 18%.

In November, Mubadala also announced that it had struck a deal with **Boeing** Co., on the heels of an agreement with **European Aeronautic Defence & Space** Co. and its wholly owned unit Airbus.

"We are looking well into the future and are working to sustain prosperity for our future generations," Mr. Muhairi says.

Unusual strategy

Funds linked to the Abu Dhabi government have invested billions in blue-chip companies, setting up related joint ventures and seeking out management roles.



*The parent fund of Aabar Investments PJSC

Source: Monitor Group

MUFG offers details of huge offering

Bank will raise up to $12.24 billion to bolster its capital base; rivals seen following suit

By Atsuko Fukase

TOKYO—**Mitsubishi UFJ Financial Group** Inc. said it plans to raise up to 1.056 trillion yen ($12.24 billion) by issuing new shares that will be priced this month, as it revealed details behind what is expected to be the biggest share sale by a Japanese financial institution.

Japan's largest bank both by assets and market capitalization said Monday that it is planning a public offering of 2.337 billion new shares. An additional 163 million will be offered under an overallotment arrangement if demand is exceptionally strong.

MUFG intends to raise about 459.1 billion yen from domestic investors and 527.8 billion yen from investors outside Japan, in addition to another 68.8 billion yen if the overallotment option is exercised. The Tokyo-based lender said the offer price will be set between Dec. 14 and Dec. 16.

"In anticipation of changes in the global regulatory and competitive landscape, MUFG intends to secure its solid capital base through this capital increase in order to continue to contribute to the real economy, both domestically and globally," the bank said in a statement.

MUFG's intention of making a large offering, which was reported in November, comes as regulators push for stricter capital requirements in terms of both size and quality for financial institutions.

Agence France-Presse

Worries over capital-raising efforts by Japanese banks have weighed on the Tokyo market recently.

In the past year, Japan's major banks have raised around $19 billion by issuing common shares to shore up their capital. MUFG raised more than $4 billion in December 2008, **Mizuho Financial Group** Inc., Japan's No. 2 lender, raised $6 billion in July, and No. 3 **Sumitomo Mitsui Financial Group** Inc. raised more than $9 billion in June.

Growing pressure to boost capital ratios has been a challenge for management at Japanese banks because the lenders tend to have lower core Tier 1 capital ratios than their Western peers. Core Tier 1 capital usually refers to common stock and retained earnings, excluding preferred shares, preferred subscription securities and deferred tax assets.

MUFG said the capital boost will increase the bank's core Tier 1 capital by one percentage point from 6.83% as of Sept. 30.

Despite issuing a hefty amount of common shares this year, Mizuho and SMFG will likely need to raise more capital as rules become stricter, analysts and industry observers say.

Mizuho "will need to reinforce core capital via common share issuance or other means unless profits suddenly accumulate over the next two years," Hironari Nozaki, a bank analyst at Citigroup Global Markets Japan, said in a report.

Last month, Mizuho President Takashi Tsukamoto said the bank doesn't currently have a plan to raise capital via common shares and will wait to see how international authorities handle proposed regulations.

SMFG President Teisuke Kitayama has said the bank would consider the best way of raising capital if the proposed rules become more concrete, or if a capital boost becomes necessary to promote its own business strategy.

Assuming other banks would also target a core Tier 1 capital ratio of about 7.85%, the same level as MUFG, "Mizuho would need to increase its capital by over two trillion yen," Mr. Nozaki said, although he added "banks' capital policies are not that simple, as in, banks don't always act in lockstep."

According to a calculation by Citigroup, Mizuho's core Tier 1 capital ratio stands at 4.35%, while SMFG's is at 5.75%. By comparison, both **UBS** AG and Credit Suisse Group have core Tier 1 ratios in excess of 10% and HSBC Holdings PLC and Deutsche Bank AG have ratios above 8%.

MUFG ended up 8.6% at 482 yen on Monday. Most financial shares rallied.

Aberdeen is upbeat; performance improves

By Margot Patrick

LONDON—**Aberdeen Asset Management** PLC said it is winning new business and is in a good position to expand further, after reporting a sharp rise in the assets it manages, mainly from the acquisition of Credit Suisse AG assets and from investment gains at its stock and bond funds in the second half of its fiscal year ended Sept. 30.

Assets under management rose to £146.2 billion ($240.81 billion) from £111.1 billion a year earlier and £96.7 billion as of May 31.

The rise means Aberdeen is the U.K.'s largest independent fund manager by the amount of money under management, outranking competitors such as Schroders PLC, which managed £138.9 billion at Sept. 30. Chief Executive Martin Gilbert said Monday the company is keeping an eye out for potential acquisitions in areas such as hedge funds but that nothing is imminent.

For the year ended Sept. 30, the company posted a net loss attributable to ordinary shareholders of £8 million. Full-year revenue fell to £421.9 million from £430.1 million but was slightly better than analyst estimates of around £415 million.

"We are pleased with the solid business performance this past year, despite the unprecedented turbulence in world financial markets," Mr. Gilbert said in a statement. "Our gross new business wins were healthy by year end, especially from our equity capability, while net outflows slowed significantly from the first half," he said.

The company runs stock, bond and property funds. It acquired about £35 billion in assets when it paid £300 million to buy Credit Suisse Asset Management, in a transaction that closed June 30.

Analysts said the results met or beat their expectations and that they expect to upgrade their 2010 numbers. Altium Securities lifted its price target to 150 pence from 145 pence and kept a hold rating, while Oriel Securities kept a buy rating and a 170 pence price target. Aberdeen shares rose 0.7% in London to 140 pence.

New business in the year amounted to £19.1 billion, 12% below 2008 levels, but clients pulled £29.8 billion, most of it in the first half of the fiscal year, when the financial crisis spooked investors. That resulted in a net £10.7 billion outflow for the year. Net flows in the fourth quarter were flat.

Mr. Gilbert said conditions changed markedly in the second half of the fiscal year, as investor confidence returned. He said the company is seeing a "wall of money coming at it" in some areas, such as its global emerging-markets equities fund, which closed to new business two weeks ago because of the strong demand.

Aberdeen reported a £85.1 million pretax profit before exceptional items, down 10% from the previous fiscal year but in line with analyst forecasts.

After exceptional items related to the Credit Suisse assets and integration, amortization and impairment of intangible assets, full-year pretax profit fell to £10.5 million from £60.5 million in fiscal 2008.

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U.S. Treasurys mostly lower; 2-year is flat

By Deborah Lynn Blumberg

NEW YORK—Treasury prices mostly slipped Monday, losing some of Friday's flight-to-safety run-up, as worries subsided a bit about Dubai's debt situation.

U.S. government bond prices fell, with longer-maturity Treasurys hit harder. The United Arab Emirates' Central Bank stressed Sunday that it "stands behind" the country's lenders, who face potentially heavy losses from their exposure to **Dubai World**, which is currently struggling with about $60 billion in liabilities.

U.S. CREDIT MARKETS

Late morning Monday the two-year Treasury was flat to yield 0.6869%, while the 10-year was down 7/32 to yield 3.2271%. The 30-year Treasury was off 3/32 to yield 4.2106%. Bond prices move inversely to yields.

Two Treasury bills maturing in January were being offered at a negative rate Monday, at around -0.01%, said Ian Lyngen, senior government-bond strategist at CRT Capital Group LLC in New York.

T-bill rates turned negative late this month as investors began to stock up on the safest securities heading into the end of the year at a time when bills are in shorter supply.

Meantime Monday, Treasurys responded calmly to early reports of a lackluster beginning to the holiday shopping season.

Dubai crunch threatens to crimp Asian bonds

By Ditas Lopez

SINGAPORE—Market panic from **Dubai World**'s suspension of its debt payments may have eased, but caution will remain, with only a handful of Asian deals expected to hit the offshore bond market before the end of the year.

Even before last week's Dubai news, market players were concerned about new-issue fatigue given the amount of debt issued in October. But the announcement that Dubai World was temporarily suspending payments on its $60 billion in liabilities means issuers that have been waiting in the wings are unlikely to see spectacular demand for their bonds. That could make it more costly for them to borrow.

BOND MARKETS

It will be "challenging" to get deals done between now and year-end, said Arthur Lau, a fund manager at JF Asset Management in Hong Kong. "Any big positioning will have to wait until next year."

Many of Asia's most frequent borrowers, including the Philippines and state-owned Export Import Bank of Korea, have completed their borrowing for the year. Currently on the road is Singapore's **First Ship Lease Trust**, which is marketing up to US$200 million in high-yield seven-year bonds. The company, also called FSL Trust, is sounding out investors about a yield of "just below 12%," a person familiar with the deal said Monday.

FSL Trust has yet to formally propose any yield, another person involved in the transaction said. It wraps up meetings with investors on Wednesday. Proceeds will be used to repay existing debts, fund future vessel acquisitions, and for general corporate purposes, according to a stock-exchange filing.

While the Dubai news may diminish some investors' appetite for bonds, others may be drawn by the prospect of higher yields.

"I don't expect Asian companies to have more difficulty in obtaining debt capital, but the ripple effect from higher borrowing costs in the Middle East may result in slightly more expensive pricing in Asia," said Scott Bennett, head of Asian credit at Aberdeen Asset Management in Singapore.

Japanese bonds

Government bond yields rose Monday as players hedged their positions ahead of Tuesday's 10-year auction, and as demand for safe-haven assets weakened due to firmer stocks and a more stable currency market.

The benchmark 10-year yield firmed 0.015 percentage point to 1.26%.

The gain came even as the government reported a smaller-than-expected increase in industrial output in October.

The market's next test is how it absorbs Tuesday's 10-year auction, which will be 2.2 trillion yen ($25.41 billion), an increase of 100 billion yen to compensate for sluggish sales of bonds to individual investors.

The tender "will be a touchstone for the JGB market's supply and demand conditions toward the end of the year," said Jun Ishii, chief strategist at Mitsubishi UFJ Securities.

He said the sale will go smoothly given the economic backdrop and the large amount of government debt that is maturing in December.

A warning by Bank of Japan Gov. Masaaki Shirakawa that recent foreign-exchange movements are unstable and that the central bank will keep a close eye on the currency market didn't have an immediate impact on bonds. But the remarks may strengthen market speculation about further monetary loosening.

——Megumi Fujikawa contributed to this article.

FUND SCORECARD

Europe Large-Cap Growth Equity

Funds that invest primarily in the equities of more expensive or fast-growing European large-caps. At least 75% of total assets are invested in equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending November 30, 2009

Leading 10 Performers

FUND RATING*	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US** YTD	1-YR	2-YR	5-YR
4	**Allianz RCM Europe Eq Growth W EUR**	Allianz Global Investors Luxembourg S.A.	EUR	Luxembrg	**51.50**	63.91	-6.50	10.64
NS	**Allianz RCM New Stars Europe A EUR**	Allianz Global Investors KAG mbH	EUR	Germany	**53.47**	63.50	-19.95	NS
3	**Storebrand Europa**	Storebrand Kapitalforvaltning AS	NOK	Norway	**51.43**	62.61	-6.71	6.37
3	**Allianz RCM Wachstum Europa A EUR**	Allianz Global Investors KAG mbH	EUR	Germany	**51.62**	61.38	-8.39	8.48
1	**Allianz RCM Europe Alpha+ AT EUR**	Allianz Global Investors KAG mbH	EUR	Germany	**48.28**	57.81	-18.00	3.30
3	**MFS Meridian Europ Growth A1 EUR**	MFS Meridian Funds	EUR	Luxembrg	**40.96**	53.09	-10.63	6.24
3	**Mesina-Aktienfonds-UBS (D)**	UBS Invest Kapitalanlagegesellschaft mbH	EUR	Germany	**41.52**	52.37	-12.05	4.01
3	**ING (L) Invest Europe Growth I**	ING Investment Management Luxembourg	EUR	Luxembrg	**37.81**	51.85	-12.32	NS
4	**BGF European Growth A2 EUR**	Blackrock (Luxembourg) S.A.	EUR	Luxembrg	**40.37**	51.80	-12.02	7.67
3	**ING Europe Growth**	ING Investment Management Europe	EUR	Nethrlnds	**38.44**	51.64	-12.35	4.57

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW the relaxed way to invest									
■ AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	11/27	EUR	52.67	16.8	18.1	-28.6
AllianceBernstein									
■ ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	11/27	USD	10.13	23.4	26.3	-14.9
Am Eq Blend B	US	EQ	LUX	11/27	USD	9.53	22.3	25.1	-15.7
Am Growth A	US	EQ	LUX	11/27	USD	30.05	31.2	43.7	-6.6
Am Growth AX	US	EQ	LUX	11/27	USD	32.42	31.9	44.5	-6.0
Am Growth B	US	EQ	LUX	11/27	USD	25.29	30.0	42.2	-7.5
Am Growth C	US	EQ	LUX	11/27	USD	27.20	30.7	43.0	-6.9
Am Growth I	US	EQ	LUX	11/27	USD	33.28	32.2	44.8	-5.8
Am Income A	US	BD	LUX	11/27	USD	8.45	24.1	32.8	5.6
Am Income A2	US	BD	LUX	11/27	USD	18.98	24.7	32.7	5.5
Am Income A2	OT	OT	NA	11/27	HKD	147.09	NS	NS	NS
Am Income AT	OT	OT	NA	11/27	HKD	65.56	NS	NS	NS
Am Income AT	US	BD	LUX	11/27	USD	8.46	24.6	32.7	5.5
Am Income B	US	BD	LUX	11/27	USD	8.45	23.3	31.7	4.7
Am Income B2	US	BD	LUX	11/27	USD	16.37	23.9	31.8	4.8
Am Income B2	OT	OT	NA	11/27	HKD	126.87	NS	NS	NS
Am Income BT	OT	OT	NA	11/27	HKD	65.95	NS	NS	NS
Am Income BT	US	BD	LUX	11/27	USD	8.51	24.0	31.9	4.8
Am Income C	US	BD	LUX	11/27	USD	8.45	23.6	32.1	5.0
Am Income C2	US	BD	LUX	11/27	USD	24.34	24.2	32.2	5.1
Am Income I	US	BD	LUX	11/27	USD	8.45	24.8	33.6	6.2
Am Value A	US	EQ	LUX	11/27	USD	8.38	16.2	26.0	-13.8
Am Value B	US	EQ	LUX	11/27	USD	7.72	15.1	24.7	-14.7
Am Value C	US	EQ	LUX	11/27	USD	8.38	15.6	25.4	-14.2
Am Value I	US	EQ	LUX	11/27	USD	9.01	17.0	26.9	-13.1
Emg Mkts Debt A	GL	BD	LUX	11/27	USD	15.59	43.0	57.6	8.5
Emg Mkts Debt A2	GL	BD	LUX	11/27	USD	20.03	43.9	57.5	8.5
Emg Mkts Debt AT	GL	BD	LUX	11/27	USD	15.70	43.9	57.5	8.5
Emg Mkts Debt B	GL	BD	LUX	11/27	USD	15.59	41.9	56.1	7.4
Emg Mkts Debt B2	GL	BD	LUX	11/27	USD	19.30	42.5	55.8	7.4
Emg Mkts Debt BT	GL	BD	LUX	11/27	USD	15.68	42.5	55.8	7.4
Emg Mkts Debt C	GL	BD	LUX	11/27	USD	15.59	42.5	56.9	8.0
Emg Mkts Debt C2	GL	BD	LUX	11/27	USD	19.69	43.3	56.6	8.0
Emg Mkts Debt I	GL	BD	LUX	11/27	USD	15.59	43.6	58.3	9.1
Emg Mkts Growth A	GL	EQ	LUX	11/27	USD	32.86	64.0	71.1	-14.2
Emg Mkts Growth B	GL	EQ	LUX	11/27	USD	27.87	62.5	69.3	-15.1
Emg Mkts Growth C	GL	EQ	LUX	11/27	USD	28.49	63.3	70.3	-14.6
Emg Mkts Growth I	GL	EQ	LUX	11/27	USD	36.40	65.2	72.4	-13.5
Eur Growth A	OT	OT	LUX	11/27	USD	10.00	20.1	18.8	-18.8
Eur Growth A	OT	OT	LUX	11/27	EUR	6.69	20.1	18.8	-18.8
Eur Growth B	OT	OT	LUX	11/27	EUR	6.02	19.0	17.6	-19.6
Eur Growth B	OT	OT	LUX	11/27	USD	9.00	19.0	17.6	-19.6
Eur Growth C	EU	EQ	LUX	11/27	EUR	5.07	19.6	18.2	-19.2
Eur Growth I	OT	OT	LUX	11/27	USD	10.90	20.9	19.7	-18.2
Eur Growth I	OT	OT	LUX	11/27	EUR	7.29	20.9	19.7	-18.2
Eur Income A	OT	OT	LUX	11/27	EUR	6.61	38.3	34.5	3.6
Eur Income A	OT	OT	LUX	11/27	USD	9.89	38.3	34.5	3.6
Eur Income A2	OT	OT	LUX	11/27	EUR	12.81	39.1	34.4	3.6
Eur Income A2	OT	OT	LUX	11/27	USD	19.16	39.1	34.4	3.6
Eur Income AT	EU	BD	LUX	11/27	EUR	6.63	39.1	34.4	3.6
Eur Income B	OT	OT	LUX	11/27	EUR	6.61	37.6	33.6	2.9
Eur Income B	OT	OT	LUX	11/27	USD	9.89	37.6	33.6	2.9
Eur Income B2	OT	OT	LUX	11/27	EUR	11.92	38.1	33.3	2.9
Eur Income B2	OT	OT	LUX	11/27	USD	17.83	38.1	33.3	2.9
Eur Income BT	EU	BD	LUX	11/27	EUR	6.63	38.3	33.5	2.9
Eur Income C	OT	OT	LUX	11/27	EUR	6.61	37.9	33.9	3.1
Eur Income C	OT	OT	LUX	11/27	USD	9.89	37.9	33.9	3.1
Eur Income C2	OT	OT	LUX	11/27	EUR	12.77	38.5	33.7	3.2
Eur Income C2	OT	OT	LUX	11/27	USD	19.10	38.5	33.7	3.2
Eur Income I	OT	OT	LUX	11/27	EUR	6.61	38.9	35.2	4.2
Eur Income I	OT	OT	LUX	11/27	USD	9.89	38.9	35.2	4.2
Eur Strat Value A	OT	OT	LUX	11/27	EUR	8.14	17.0	13.5	-22.6
Eur Strat Value A	OT	OT	LUX	11/27	USD	12.17	17.0	13.5	-22.6
Eur Strat Value I	OT	OT	LUX	11/27	EUR	8.33	17.8	14.6	-21.9
Eur Strat Value I	OT	OT	LUX	11/27	USD	12.46	17.8	14.6	-21.9
Eur Value A	OT	OT	LUX	11/27	USD	13.13	20.6	17.5	-19.7
Eur Value A	OT	OT	LUX	11/27	EUR	8.78	20.6	17.5	-19.7
Eur Value B	OT	OT	LUX	11/27	EUR	8.09	19.5	16.4	-20.5
Eur Value B	OT	OT	LUX	11/27	USD	12.10	19.5	16.4	-20.5
Eur Value C	OT	OT	LUX	11/27	USD	12.71	20.1	17.1	-20.1
Eur Value C	OT	OT	LUX	11/27	EUR	8.50	20.1	17.1	-20.1
Eur Value I	OT	OT	LUX	11/27	USD	15.16	21.4	18.6	-19.0
Eur Value I	OT	OT	LUX	11/27	EUR	10.14	21.4	18.6	-19.0
Gl Balanced (Euro) A	OT	OT	LUX	11/27	USD	16.70	17.8	19.2	-11.6
Gl Balanced (Euro) B	OT	OT	LUX	11/27	USD	16.29	16.7	18.0	-12.5
Gl Balanced (Euro) C	OT	OT	LUX	11/27	USD	16.59	17.6	18.9	-11.8
Gl Balanced (Euro) I	OT	OT	LUX	11/27	USD	17.00	NS	NS	NS
Gl Balanced A	US	BA	LUX	11/27	USD	16.32	22.8	27.1	-10.6
Gl Balanced B	US	BA	LUX	11/27	USD	15.53	21.7	25.9	-11.5
Gl Balanced C	OT	OT	LUX	11/27	USD	16.08	22.5	26.7	-10.9
Gl Balanced C	OT	OT	LUX	11/27	EUR	10.75	22.5	26.7	-10.9
Gl Balanced I	US	BA	LUX	11/27	USD	16.91	23.5	27.9	-10.0
Gl Bond A	US	BD	LUX	11/27	USD	9.35	13.2	17.6	4.9
Gl Bond A2	US	BD	LUX	11/27	USD	16.13	13.5	17.4	4.8
Gl Bond A2	OT	OT	NA	11/27	HKD	125.01	13.5	17.4	4.8
Gl Bond AT	OT	OT	LUX	11/27	HKD	72.54	13.6	17.4	4.8
Gl Bond AT	US	BD	LUX	11/27	USD	9.36	13.6	17.4	4.8
Gl Bond B	US	BD	LUX	11/27	USD	9.35	12.3	16.4	3.8
Gl Bond B2	US	BD	LUX	11/27	USD	14.14	12.5	16.2	3.8
Gl Bond B2	OT	OT	NA	11/27	HKD	109.58	12.5	16.2	3.8
Gl Bond BT	OT	OT	LUX	11/27	HKD	72.77	12.5	16.2	3.8
Gl Bond BT	US	BD	LUX	11/27	USD	9.39	12.5	16.2	3.8
Gl Bond C	US	BD	LUX	11/27	USD	9.35	12.8	17.0	4.4
Gl Bond C2	US	BD	LUX	11/27	USD	14.01	13.1	16.9	4.3
Gl Bond I	US	BD	LUX	11/27	USD	9.35	13.7	18.2	5.5
Gl Conservative A	US	BA	LUX	11/27	USD	14.94	15.9	19.1	-3.9
Gl Conservative A2	US	BA	LUX	11/27	USD	16.90	15.9	19.1	-3.9
Gl Conservative B	US	BA	LUX	11/27	USD	14.90	14.9	17.9	-4.8
Gl Conservative B2	US	BA	LUX	11/27	USD	16.07	14.9	17.9	-4.8
Gl Conservative C	US	BA	LUX	11/27	USD	14.92	15.5	18.6	-4.3
Gl Conservative C2	US	BA	LUX	11/27	USD	16.54	15.5	18.6	-4.3
Gl Conservative I	US	BA	LUX	11/27	USD	15.01	16.8	20.1	-3.1
Gl Eq Blend A	GL	EQ	LUX	11/27	USD	11.41	27.6	32.2	-21.1
Gl Eq Blend B	GL	EQ	LUX	11/27	USD	10.72	26.6	31.1	-21.9
Gl Eq Blend C	GL	EQ	LUX	11/27	USD	11.21	27.1	31.6	-21.5
Gl Eq Blend I	GL	EQ	LUX	11/27	USD	12.03	28.7	33.4	-20.5
Gl Growth A	GL	EQ	LUX	11/27	USD	40.90	26.8	30.3	-21.9
Gl Growth B	GL	EQ	LUX	11/27	USD	34.17	25.7	28.9	-22.6
Gl Growth C	GL	EQ	LUX	11/27	USD	39.26	26.3	29.7	-22.2
Gl Growth I	GL	EQ	LUX	11/27	USD	45.39	27.8	31.3	-21.2
Gl High Yield A	US	BD	LUX	11/27	USD	4.25	55.5	64.8	3.7
Gl High Yield A2	US	BD	LUX	11/27	USD	9.02	56.6	64.3	3.7
Gl High Yield A2	OT	OT	NA	11/27	HKD	69.90	56.6	64.3	3.7
Gl High Yield AT	OT	OT	NA	11/27	HKD	32.78	56.9	64.5	3.8
Gl High Yield AT	US	BD	LUX	11/27	USD	4.23	56.9	64.5	3.8
Gl High Yield B	US	BD	LUX	11/27	USD	4.25	53.8	62.5	2.4
Gl High Yield B2	US	BD	LUX	11/27	USD	14.52	55.3	62.8	2.7
Gl High Yield B2	OT	OT	NA	11/27	HKD	112.53	55.3	62.8	2.7
Gl High Yield BT	OT	OT	NA	11/27	HKD	33.32	55.0	62.7	2.7
Gl High Yield BT	US	BD	LUX	11/27	USD	4.30	55.0	62.7	2.7
Gl High Yield C	US	BD	LUX	11/27	USD	4.25	54.8	63.8	3.1
Gl High Yield C2	US	BD	LUX	11/27	USD	13.38	56.1	63.6	3.3
Gl High Yield I	US	BD	LUX	11/27	USD	4.25	56.4	66.0	4.4
Gl Value A	GL	EQ	LUX	11/27	USD	10.92	28.6	34.3	-20.4
Gl Value B	GL	EQ	LUX	11/27	USD	10.04	27.4	33.0	-21.3
Gl Value C	GL	EQ	LUX	11/27	USD	10.62	28.1	33.8	-20.8
Gl Value I	GL	EQ	LUX	11/27	USD	11.61	29.6	35.5	-19.8
Gl. Thematic Res. A	OT	OT	LUX	11/27	USD	14.42	64.8	79.8	-5.8
Gl. Thematic Res. B	OT	OT	LUX	11/27	USD	12.63	63.4	78.1	-6.7
Gl. Thematic Res. I	OT	OT	LUX	11/27	USD	16.07	66.0	81.4	-5.0
Greater China A	AS	EQ	LUX	11/27	USD	38.56	50.3	64.9	-17.9
Greater China B	AS	EQ	LUX	11/27	USD	34.15	48.9	63.2	-18.7
Greater China C	AS	EQ	LUX	11/27	USD	38.09	49.7	64.2	-18.3
India Growth A	OT	OT	LUX	11/27	USD	120.38	NS	NS	NS
India Growth AX	OT	OT	LUX	11/27	USD	105.20	82.1	100.5	-8.8
India Growth B	OT	OT	LUX	11/27	USD	126.22	NS	NS	NS
India Growth BX	OT	OT	LUX	11/27	USD	90.01	80.5	98.5	-9.7
India Growth I	EA	EQ	LUX	11/27	USD	108.97	82.8	101.3	-8.4
Int'l Health Care A	OT	EQ	LUX	11/27	USD	133.55	13.7	21.3	-9.9
Int'l Health Care B	OT	EQ	LUX	11/27	USD	112.74	12.7	20.1	-10.8
Int'l Health Care C	OT	EQ	LUX	11/27	USD	128.04	13.3	20.7	-10.3
Int'l Health Care I	OT	EQ	LUX	11/27	USD	145.81	14.6	22.3	-9.2
Int'l Technology A	OT	EQ	LUX	11/27	USD	103.35	41.3	45.3	-13.0
Int'l Technology B	OT	EQ	LUX	11/27	USD	89.63	40.0	43.8	-13.9
Int'l Technology C	OT	EQ	LUX	11/27	USD	99.92	40.7	44.6	-13.4
Int'l Technology I	OT	EQ	LUX	11/27	USD	115.80	42.3	46.4	-12.3
Japan Eq Blend A	JP	EQ	LUX	11/27	JPY	5328.00	-0.7	6.3	-27.6
Japan Eq Blend B	JP	EQ	LUX	11/27	JPY	5145.00	-1.6	5.2	-28.4
Japan Eq Blend C	JP	EQ	LUX	11/27	JPY	5244.00	-1.1	5.8	-28.0
Japan Growth A	JP	EQ	LUX	11/27	JPY	5268.00	-5.3	-0.1	-27.6
Japan Growth B	JP	EQ	LUX	11/27	JPY	5088.00	-6.1	-1.1	-28.4
Japan Growth C	JP	EQ	LUX	11/27	JPY	5186.00	-5.7	-0.6	-28.0
Japan Strat Value A	JP	EQ	LUX	11/27	JPY	5381.00	4.3	13.1	-27.8
Japan Strat Value B	JP	EQ	LUX	11/27	JPY	5202.00	3.4	12.0	-28.5
Japan Strat Value C	JP	EQ	LUX	11/27	JPY	5294.00	3.9	12.6	-28.1
Real Estate Sec. A	OT	EQ	LUX	11/27	USD	13.56	27.1	41.8	-18.1
Real Estate Sec. B	OT	EQ	LUX	11/27	USD	12.41	26.0	40.5	-18.9
Real Estate Sec. I	OT	EQ	LUX	11/27	USD	14.56	27.9	43.0	-17.4
Short Mat Dollar A	US	BD	LUX	11/27	USD	7.22	10.3	11.3	-6.6
Short Mat Dollar A2	US	BD	LUX	11/27	USD	9.70	10.7	11.4	-6.7
Short Mat Dollar AT	US	BD	LUX	11/27	USD	7.23	10.8	11.5	-6.7
Short Mat Dollar B	US	BD	LUX	11/27	USD	7.22	9.9	10.8	-7.1
Short Mat Dollar B2	US	BD	LUX	11/27	USD	9.66	10.3	10.9	-7.1
Short Mat Dollar BT	OT	OT	LUX	11/27	USD	7.24	9.5	10.3	-7.4
Short Mat Dollar C	US	BD	LUX	11/27	USD	7.22	9.9	10.8	-7.1
Short Mat Dollar C2	US	BD	LUX	11/27	USD	13.66	10.3	10.9	-7.0
Short Mat Dollar I	US	BD	LUX	11/27	USD	7.22	10.8	11.9	-6.1

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund L Ltd. (Class A)	OT	OT	VGB	10/30	USD	1642.69	69.6	71.6	NS
■ CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	11/25	USD	119.79	19.8	19.4	10.1
PLATINUM CAPITAL MANAGEMENT									
■ PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	09/30	USD	94.24	12.2	-6.9	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	09/30	USD	108.96	6.0	3.6	-31.0
Platinm-Emancipation	OT	OT	USA	09/30	USD	96.83	29.4	0.4	-7.7
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	09/30	USD	59.71	27.4	-18.1	-32.3
Platinm-Nordic	OT	OT	CYM	09/30	SEK	591.49	8.4	-6.2	-19.0
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	09/30	USD	55.93	NS	8.3	-39.0
SUPERFUND									
■ SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	11/24	USD	49.38	-40.7	-37.2	1.5
Superfund GCT USD*	GL	EQ	LUX	11/24	USD	2532.00	-30.7	-29.1	2.6
Superfund Green Gold A (SPC)	OT	OT	CYM	11/24	USD	1139.48	-2.0	18.2	17.9
Superfund Green Gold B (SPC)	OT	OT	CYM	11/24	USD	1157.81	-14.1	4.2	15.3
Superfund Q-AG*	OT	OT	AUT	11/24	EUR	7168.00	-18.2	-16.5	5.5
■ WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	10/30	EUR	939.64	NS	NS	NS
Winton Evolution GBP Cls G	OT	OT	CYM	10/30	GBP	943.02	NS	NS	NS
Winton Evolution USD Cls F	OT	OT	CYM	10/30	USD	1189.62	-6.2	-1.5	3.1
Winton Futures EUR Cls C	OT	OT	VGB	10/30	EUR	192.39	-6.5	0.0	7.8
Winton Futures GBP Cls D	OT	OT	VGB	10/30	GBP	207.72	-6.4	0.6	8.9
Winton Futures JPY Cls E	OT	OT	VGB	10/30	JPY	13589.60	-7.9	-1.6	4.9
Winton Futures USD Cls B	OT	OT	VGB	10/30	USD	682.02	-7.0	-0.3	7.5
Allianz Global Investors									
■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	11/27	EUR	48.87	25.7	31.6	-12.3
Industria AE	EU	EQ	DEU	11/27	EUR	67.61	29.2	26.4	-17.9
InternRent AE	EU	BD	DEU	11/27	EUR	35.39	4.2	1.7	9.3

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MARKETS

Dubai, retail fears send stocks modestly lower

By Geoffrey Rogow And Donna Kardos Yesalavich

Stocks moved into negative territory on Monday as investors remained concerned about the pace of holiday sales and the potential global fallout from Dubai World's debt problems.

ABREAST OF THE MARKET

At midday in New York, the Dow Jones Industrial Average was down 0.3% at 10277.12, after swinging between gains and losses. Consumer-discretionary stocks led decliners, as investors worried that retail sales this holiday season will disappoint. **Home Depot** was down 1.8%, while **McDonald's** fell 1%.

The Dow's declines were held in check by financial components **Bank of America** and **J.P. Morgan Chase**, up 0.9% each.

Concern remained about the debt problems at Dubai World, where the largest corporate entity in Dubai has asked creditors for a six-month stay on repayment of its $60 billion in debts. Stocks in the U.S. slumped Friday in reaction, though U.S. banks appear to have less exposure to Dubai World than European banks.

"The market is still digesting what happened on Friday, and that's the real big focus," said Richard Sparks, senior equities and options trader with Schaeffer's Investment Research. "There's a lot people out there saying there has to be a correction, yet that the market has so far been able to resist the temptation to panic sell is a real positive."

The technology-heavy Nasdaq Composite Index was off 0.7% at 2124.16. The Standard & Poor's 500-stock index had shed 0.3% to 1088.04, led by the consumer-discretionary sector.

Macy's, **GameStop** and **J.C. Penney** all fell more than 3.7%.

European Markets

Shares fell, with every sector under pressure, as markets remained jittery over Dubai's debt woes.

> 'The market is still digesting what happened on Friday,' one trader said.

The pan-European Dow Jones Stoxx 600 index fell 1.2% to 239.58. Germany's DAX index declined 1.1% to 5625.95, France's CAC-40 index shed 1.1% to 3680.15 and the U.K.'s FTSE 100 index fell 0.9% to 5197.10.

"The market reaction was savage, with risk measures blowing out and asset prices falling sharply," said strategists at Commerzbank.

Energy firms lost ground. Oil giant **BP** fell 1.6%, **Repsol** shed 0.6%, **Total** fell 1.6%, while natural-gas producer **BG Group** slipped 2%.

—Sarah Turner

Dollar recovers as fear lingers about Dubai

By Fabio Alves

NEW YORK—The dollar gained ground Monday, recovering some losses recorded overnight, after a Dubai official said Dubai World's liabilities aren't guaranteed by the government, fueling more concern about the risks to global assets from the conglomerate's debt woes.

CURRENCY MARKETS

Government-owned Dubai World said last week it was seeking a six-month payment standstill on its borrowings.

The euro rose as high as $1.5085 during Asian trading Monday after the United Arab Emirates' central bank said it will provide funds to banks with exposure to state-run Dubai World's debt. But caution overtook optimism after a Dubai Finance Ministry official said the Dubai government won't guarantee the debts of Dubai World and creditors should help it restructure.

At midday in New York, the euro was trading at $1.4991, from $1.4967 late Friday. The dollar was at 86.16 yen, from 86.58 yen, while the U.K. pound was at $1.6392, from $1.6471. The dollar was at 1.0056 Swiss francs, from 1.0054 francs.

Losses on European markets "imply ongoing jitters with the Dubai fallout, especially as U.K. banks have yet to unveil their exposure to the Gulf markets," said Ashraf Laidi, chief strategist at CMC Markets in London.

Financial shares lead a rebound as fears over Dubai debt ease

By Myra P. Saefong And Shri Navaratnam

Financial stocks were among the biggest winners in a broad Asian stock-market rally following Friday's sharp selloff, as investors found refuge in reassurances by the United Arab Emirates' central bank that it would support local and international banks with exposure to Dubai debt.

Traders came to the realization that "the Dubai event, while serious, is not the beginning of a new phase of debt deflation greater than the real-estate crisis that started in 2007," said Richard Hastings, a consumer strategist at Global Hunter Securities.

ASIAN-PACIFIC STOCKS

"Investors are figuring out that...Asian bankers/brokers have very little exposure to the $60 billion default" in Dubai, said Tony Sagami, editor of Asia Stock Alert.

In Tokyo, Japan's Nikkei 225 closed up 2.9% to 9345.55, led by an 8.7% jump at **Mitsubishi UFJ Financial Group**'s and a 9.1% gainat real-estate operator **Sumitomo Realty & Development**.

Japanese exporters, hit hard by recent strength in the yen, got some relief as the U.S. dollar stayed above the 14-year low set Friday versus the yen.

Toyota Motor rose 4.2% and **Sony** closed up 2.7%.

In Hong Kong, new listing **Sands China** fell 10% on its debut. The casino operator's "aggressive expansion plan has resulted in heavy indebtedness and, coupled with its unattractive valuation, I think the stock will remain underperforming in the near-term," said Ernie Hon, a strategist at ICBC International.

Hong Kong's Hang Seng Index rose 3.3% to 21821.50, with **HSBC** gaining 4.3% after ending down 7.6% on Friday.

Chinese shares got support after Beijing said late Friday that it will maintain an active fiscal policy and moderately loose monetary policy next year, allaying investor concerns that the government might move to keep the economy from overheating.

In Shanghai, real-estate developers **Gemdale** climbed 2.7% and **Poly Real Estate** rose 2.2%, helping the Shanghai Composite to a 3.2% gain to 3195.30.

In Sydney, Australia's S&P/ASX 200 rose 2.8% to 4701.35 as **National Australia Bank** gained 6%.

In Seoul, **Woori Finance Holdings** surged 9.4% after dropping nearly 16% over Thursday and Friday combined. South Korea's Kospi Composite climbed 2% to 1555.60.

Bucking the trend, Singapore's Straits Times Index ended down 1.1% at 2732.12 after being closed for a holiday Friday. Banks lost ground, led by a 3% decline in **DBS Group Holdings**, on concerns about the lender's exposure to Dubai's debt woes.

After the market closed, DBS said its total exposure to Dubai is about 1.8 billion Singapore dollars (US$1.3 billion), which it believes is manageable.

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GAM

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	11/20	USD	1247.48	23.1	5.6	-8.9
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	11/23	JPY	15042.89	60.5	73.7	NS
GAM Asia Equity Hedge US	OT	OT	VGB	11/23	USD	283.80	62.6	75.8	0.0
GAM Asia Equity USD	OT	OT	VGB	11/27	USD	610.38	52.0	70.0	-15.4
GAM Asia-Pacific Eq USD	OT	OT	VGB	11/24	USD	1219.62	13.5	24.1	-17.6
GAM Com Glb Bal EUR Op	US	BA	VGB	11/23	EUR	92.43	15.1	18.7	-9.0
GAM Com Glb Bal USD Op	US	BA	VGB	11/23	USD	127.74	15.1	18.7	-9.0
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	11/23	EUR	93.65	21.3	28.4	-16.1
GAM Comp Glb Eq USD Op	GL	EQ	VGB	11/23	USD	126.68	21.3	28.4	-16.1
GAM Comp Glb Gr EUR Op	US	BA	VGB	11/23	EUR	82.80	15.2	20.6	-13.3
GAM Comp Glb Gr USD Op	US	BA	VGB	11/23	USD	126.58	15.2	20.6	-13.3
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	11/20	USD	239.69	31.6	43.9	-13.4
GAM Cross Trading Inc	OT	OT	VGB	11/23	USD	467.75	6.9	7.2	NS
GAM Diversity CHF Op	OT	OT	VGB	11/23	CHF	94.42	4.4	2.5	-7.0
GAM Diversity EUR Op	OT	OT	VGB	11/23	EUR	649.12	5.2	3.6	-5.3
GAM Diversity USD 2.5XL	OT	OT	VGB	10/30	USD	76.73	6.4	-4.0	-22.6
GAM Diversity USD Op	OT	OT	VGB	11/23	USD	681.66	5.2	4.2	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	11/23	CHF	99.73	4.2	2.8	NS
GAM Dvrsty II EUR Op	OT	OT	VGB	11/23	EUR	139.02	4.8	2.9	-5.5
GAM Dvrsty II USD Op	OT	OT	VGB	11/23	USD	210.63	4.8	3.6	-5.7
GAM DvrstyIII EUR Op	OT	OT	VGB	10/30	EUR	114.70	3.8	-0.4	-6.5
GAM DvrstyIII USD Op	OT	OT	VGB	10/30	USD	121.09	3.8	-0.1	-6.6
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	11/23	EUR	212.73	7.9	8.6	-5.7
GAM Euro Eq Hdg USD Op	OT	OT	VGB	11/23	USD	197.95	8.7	11.5	-4.1
GAM European Equity USD	OT	OT	VGB	11/26	USD	295.59	25.7	35.5	-14.3
GAM GAMCO	OT	EQ	VGB	11/24	USD	800.55	38.0	56.9	-11.4
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	10/30	EUR	97.64	13.2	12.7	-17.5
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	11/23	USD	105.02	16.0	16.3	-15.1
GAM Gbl Divers USD Inc.	GL	EQ	VGB	11/23	USD	250.10	22.5	31.1	-8.3
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	11/23	USD	278.90	95.3	117.5	17.5
GAM Intrst Trend II	GL	BD	VGB	11/23	USD	95.94	45.2	40.8	-10.1
GAM Intrst Trend Inc	OT	OT	VGB	11/23	USD	254.05	59.5	53.3	-4.6
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	11/23	EUR	109.31	2.4	-0.8	-9.0
GAM Japan Eq Hdg USD Op	OT	OT	VGB	11/23	USD	114.17	1.5	7.6	NS
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	10/30	JPY	8507.22	10.3	23.5	-21.8
GAM Japan USD	JP	EQ	VGB	11/27	USD	993.95	-4.0	7.0	-21.1
GAM Japan YEN	JP	EQ	VGB	11/27	JPY	7713.28	-3.7	2.8	-27.5
GAM Money Mkt EuroOp	EU	MM	VGB	11/26	EUR	51.19	0.1	0.2	1.8
GAM Money Mkt USD	US	MM	VGB	11/25	USD	100.02	0.0	0.0	1.0
GAM Multi-Arb EUR Op	OT	OT	VGB	11/23	EUR	113.51	1.3	-1.9	-8.7
GAM Multi-Arb USD Op	OT	OT	VGB	10/30	USD	118.02	1.1	-5.6	-9.4
GAM Multi-China EUR Op	OT	OT	VGB	10/30	EUR	159.17	7.2	7.9	-15.9
GAM Multi-China USD Op	OT	OT	VGB	10/30	USD	167.40	7.8	8.4	4.1
GAM Multi-Emer Mkts GBP	OT	OT	VGB	10/30	GBP	127.90	22.3	20.4	-4.2
GAM Multi-Emer Mkts USD	OT	OT	VGB	11/23	USD	644.45	24.4	22.9	-2.9
GAM Multi-Eur EUR Op	OT	OT	VGB	10/30	EUR	265.40	5.7	5.1	-12.5
GAM Multi-Eur II EUR Op	OT	OT	VGB	11/23	EUR	137.78	6.6	6.0	-10.3
GAM Multi-Eur II USD Op	OT	OT	VGB	11/23	USD	112.70	6.3	5.6	-11.2
GAM Multi-Eur USD Op	OT	OT	VGB	10/30	USD	462.12	5.5	4.6	-13.5
GAM Multi-Nth Am EUR Special	OT	OT	VGB	11/23	EUR	132.52	11.2	11.0	NS
GAM Multi-Nth Am USD Special	OT	OT	VGB	11/23	USD	215.93	11.6	14.3	NS
GAM Multi-Pac EUR Op	GL	EQ	VGB	10/30	EUR	140.15	2.8	2.4	-6.4
GAM Multi-Pac USD Op	OT	OT	VGB	11/23	USD	163.35	3.9	3.3	-5.4
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	11/20	USD	2507.23	61.1	60.2	8.2
GAM Sing/Malaysia	AS	EQ	VGB	11/27	USD	2480.31	49.3	53.8	-10.2
GAM Sterling Spe Bd Inc	OT	OT	VGB	11/23	GBP	240.92	39.5	35.5	2.4
GAM Trading EUR Inc	OT	OT	VGB	11/23	EUR	326.42	6.8	6.6	7.5
GAM Trading USD Inc	OT	OT	VGB	11/23	USD	976.92	7.0	6.7	6.9
GAM Trdg II IncEUR Op	OT	OT	VGB	11/23	EUR	139.65	6.7	6.5	7.4
GAM Trdg II IncUSD Op	OT	OT	VGB	11/23	USD	317.20	7.0	6.8	7.0
GAM Trdg IV IncEUR Op	OT	OT	VGB	11/23	EUR	147.36	6.5	6.2	7.0
GAM Trdg IV IncUSD Op	OT	OT	VGB	11/23	USD	155.13	6.7	6.5	6.8
GAM Trdg V IncEUR Op	OT	OT	VGB	10/30	EUR	124.10	5.8	6.6	7.1
GAM Trdg V IncUSD Op	OT	OT	VGB	10/30	USD	129.23	5.9	7.1	6.8
GAM TrdgIII IncEUR Op	OT	OT	VGB	11/23	EUR	157.56	6.5	6.1	7.1
GAM TrdgIII IncUSD Op	OT	OT	VGB	11/23	USD	163.16	6.7	6.5	6.9
GAM USDSpecBondInc	US	BD	VGB	11/23	USD	521.35	71.5	67.7	7.4
GAM Worldwide	GL	EQ	VGB	11/26	USD	2218.50	23.8	33.5	-10.6
GAMut Investments	OT	OT	VGB	11/25	USD	7727.15	6.4	8.3	8.9

GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	11/26	CHF	10.40	46.9	47.8	-17.5
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	11/26	EUR	11.05	47.8	54.5	-13.4
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	11/26	GBP	1.49	40.8	67.5	-2.5
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	11/26	USD	13.04	59.0	80.6	-12.7
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	11/26	EUR	93.21	10.3	14.9	-17.2
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	11/26	EUR	90.21	10.3	14.9	-17.1
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	11/26	EUR	10.34	17.5	19.1	-12.9
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	11/26	EUR	173.40	18.4	17.7	-15.1
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	11/26	EUR	158.44	18.4	17.6	-15.1
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	11/26	USD	15.87	27.2	37.2	-14.4
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	11/26	USD	14.39	27.1	37.1	-14.4
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	11/26	USD	5.84	24.1	25.9	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	11/26	EUR	80.00	-1.7	3.7	-17.5
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	11/26	EUR	80.00	-1.7	3.7	-17.5
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	11/26	JPY	828.42	-1.2	7.3	-26.0
GAMStar-JpnEq USD Acc	JP	EQ	IRL	11/26	USD	10.34	-1.8	11.5	-20.2
GAMStar-World EqUSD Acc	GL	EQ	IRL	11/26	USD	2196.14	24.8	34.6	-10.2

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EFG-Hermes Egypt	GL	EQ	BMU	10/30	USD	43.54	25.9	29.9	-14.4
EFG-Hermes MEDA*	GL	EQ	BMU	09/30	USD	24.16	15.3	-17.3	-10.4
EFG-Hermes Saudi Arabia Equity	EA	EQ	SAU	10/27	SAR	6.27	32.3	11.2	NS
EFG-Hermes Telecom	OT	EQ	BMU	09/30	USD	29.73	16.0	-0.1	-8.2

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LG Antenna	GL	EQ	BMU	11/20	USD	59.02	72.9	83.7	-10.9
LG Asian Plus	AS	EQ	CYM	11/06	USD	54.16	43.3	41.3	-24.1
LG AsianSmallerCo's	AS	EQ	BMU	11/27	USD	91.01	65.0	84.4	-23.4
LG India	EA	EQ	MUS	11/26	USD	63.56	99.2	136.9	-11.9

Manulife WEALTH MANAGEMENT 宏利財富管理

MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	11/27	USD	14.83	23.6	24.5	-12.2
American Growth AA	US	EQ	LUX	11/27	USD	0.85	23.3	24.2	-7.6
Asian Equity	AS	EQ	LUX	11/27	USD	2.30	53.8	67.2	-11.4
Asian Equity AA	AS	EQ	LUX	11/27	USD	0.74	53.3	66.7	-11.7
Asian Sm Cap Equity AA	AS	EQ	LUX	11/27	USD	1.08	79.8	103.7	-7.4
China Value A	AS	EQ	LUX	11/27	USD	6.77	56.7	72.4	-8.4
China Value AA	AS	EQ	LUX	11/27	USD	2.13	56.3	71.9	-8.6
Dragon Growth	AS	EQ	LUX	11/27	USD	1.56	59.3	71.8	-10.7
Dragon Growth AA	OT	OT	LUX	11/27	HKD	7.59	59.2	71.3	-11.7
Emg Eastrn Europe A	EU	EQ	LUX	11/27	USD	4.31	82.9	76.4	-18.9
Emg Eastrn Europe AA	EU	EQ	LUX	11/27	USD	1.86	82.7	76.2	-19.0
European Growth	EU	EQ	LUX	11/27	USD	8.96	39.3	47.9	-18.5
European Growth AA	EU	EQ	LUX	11/27	USD	0.64	39.0	47.5	-19.6
Global Contrarain AA	GL	EQ	LUX	11/27	USD	0.86	78.3	92.6	NS
Global Property AA	OT	EQ	LUX	11/27	USD	0.64	38.4	49.5	-16.6
Global Resources AA	OT	EQ	LUX	11/27	USD	1.09	54.9	68.5	-10.0
Healthcare AA	OT	EQ	LUX	11/27	USD	0.92	11.6	19.2	NS
India Equity AA	EA	EQ	LUX	11/27	USD	1.03	70.0	83.7	-18.5
International Growth	GL	EQ	LUX	11/27	USD	2.99	19.9	24.0	-15.7
International Growth AA	GL	EQ	LUX	11/27	USD	0.69	19.6	23.7	-15.9
Japanese Growth	JP	EQ	LUX	11/27	USD	2.60	0.4	12.1	-18.1
Japanese Growth AA	JP	EQ	LUX	11/27	USD	0.68	0.2	11.8	-17.6
Latin America Equity AA	GL	EQ	LUX	11/27	USD	1.24	98.4	96.9	-2.0
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	11/27	USD	1.07	NS	NS	NS
Russia Equity AA	EE	EQ	LUX	11/27	USD	0.61	123.5	112.9	-22.0
Taiwan Equity AA	AS	EQ	LUX	11/27	USD	0.99	69.3	78.6	-2.8
Turkey Equity AA	EE	EQ	LUX	11/26	USD	0.66	79.1	103.5	-17.9
U.S. Bond AA	US	BD	LUX	11/27	USD	1.11	18.3	22.0	7.5
U.S. High Yield Bond AA	US	BD	LUX	11/27	USD	0.74	65.0	70.0	-5.0
U.S. Sm Cap Equity AA	US	EQ	LUX	11/27	USD	0.78	62.9	61.5	-14.0
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	11/27	USD	1.17	10.3	18.4	3.7

PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	11/25	USD	123.19	113.5	175.1	-1.4

Sensible Asset Management
A Value Partners Group company

SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	11/27	USD	7.57	76.5	96.6	-8.5

SOCIETE GENERALE
Asset Management

SG ASSET MANAGEMENT HTTP://WWW.SGAM.COM
SGAM Fund

Bonds Eur Hi Yld A	EU	BD	LUX	11/26	EUR	20.27	52.5	50.1	-2.1
Bonds EURO A	EU	BD	LUX	11/26	EUR	41.32	4.6	6.0	5.2
Bonds EUROPE A	EU	BD	LUX	11/26	EUR	39.25	3.6	4.2	4.2
Bonds US OppsCoreplus A	US	BD	LUX	11/25	USD	37.19	17.9	23.0	9.1
Bonds World A	GL	BD	LUX	11/26	USD	44.26	11.1	17.7	7.9
Eq. China A	AS	EQ	LUX	11/27	USD	23.03	54.1	73.4	-15.9
Eq. ConcentratedEuropeA	EU	EQ	LUX	11/26	EUR	25.56	24.1	28.1	-19.2
Eq. Eastern Europe A	EU	EQ	LUX	11/26	EUR	21.20	60.5	46.6	-28.5
Eq. Euroland A	EU	EQ	LUX	11/26	EUR	10.22	11.5	15.2	-22.1
Eq. EurolandCyclclsA	EU	EQ	LUX	11/26	EUR	16.83	22.5	26.3	-17.1
Eq. EurolandFinancialA	OT	EQ	LUX	11/26	EUR	11.05	31.2	35.4	-21.6
Eq. Glbl Emg Cty A	GL	EQ	LUX	11/26	USD	9.46	58.3	76.4	-14.3
Eq. Global A	GL	EQ	LUX	11/26	USD	27.51	30.8	37.2	-14.6
Eq. Global Energy A	OT	EQ	LUX	11/26	USD	17.96	26.0	21.4	-13.2
Eq. Global Technol A	OT	OT	LUX	04/24	USD	4.46	22.1	-29.7	-21.6
Eq. Gold Mines A	OT	EQ	LUX	11/26	USD	32.94	57.6	99.7	3.8
Eq. Pacific A	AS	EQ	LUX	11/27	USD	9.79	53.3	66.9	-15.0
Eq. US Lg Cap Gr A	US	EQ	LUX	11/25	USD	15.04	39.5	45.2	-12.6
Eq. US Rel Val A	US	EQ	LUX	11/25	USD	20.33	30.9	41.0	-13.9
Eq. US Sm Cap Val A	US	EQ	LUX	11/25	USD	15.13	16.9	30.0	-21.5
Money Market EURO A	EU	MM	LUX	11/26	EUR	27.39	1.0	1.3	2.8
Money Market USD A	US	MM	LUX	11/26	USD	15.83	0.5	0.8	1.9

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TNI Mena Real Estate Fund	OT	OT	BMU	11/19	USD	1032.24	9.8	4.5	-22.3
TNI MENA Special Sits Fund	OT	OT	BMU	10/29	USD	1139.93	17.4	NS	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	11/19	AED	6.23	35.9	15.8	-24.6

Value Partners
Investing through discipline

WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487
**formerly known as China ABH Shares Fund*

Intel-Chin MainInd Foc	AS	EQ	CYM	11/16	USD	29.76	85.5	NS	-0.4
Intel-China Converg*	AS	EQ	CYM	11/16	USD	114.18	87.4	NS	-1.9
VP Classic - A	AS	EQ	CYM	11/27	USD	177.10	73.7	97.0	-4.1
VP CLassic - B	AS	EQ	CYM	11/27	USD	82.58	72.9	96.1	-4.7
VP High Dividend Stk	AS	EQ	CYM	11/23	USD	44.58	79.4	91.8	-2.2

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YMR-N Series

YMR-N Growth Fund	OT	OT	IRL	11/30	JPY	8583.00	-3.8	-1.3	-30.2
YMR-N Small Cap Fund	OT	OT	IRL	11/30	JPY	6598.00	-0.2	5.3	-29.1

Yuki 77 Series

Yuki 77 General	JP	EQ	IRL	11/27	JPY	5418.00	-8.2	-5.2	-31.5
Yuki 77 Growth	JP	EQ	IRL	11/27	JPY	5125.00	-13.4	-10.4	-36.0

Yuki Chugoku Series

Yuki Chugoku Jpn Gen	JP	EQ	IRL	11/27	JPY	6015.00	-3.6	-1.7	-28.3
Yuki Chugoku JpnLowP	JP	EQ	IRL	11/27	JPY	6809.00	-16.9	-12.3	-28.5

Yuki Hokuyo Japan Series

Yuki Hokuyo Jpn Gen	JP	EQ	IRL	11/27	JPY	4052.00	-10.9	-8.7	-31.9
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	11/27	JPY	4723.00	-10.5	-9.0	-25.3
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	11/27	JPY	4665.00	-0.9	4.3	-27.7

Yuki Mizuho Series

Yuki Mizuho Gen Jpn III	OT	OT	IRL	11/27	JPY	3813.00	-10.3	-8.9	-35.4
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	11/27	JPY	4067.00	-9.5	-9.1	-35.5
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	11/27	JPY	6034.00	-1.1	1.3	-30.0
Yuki Mizuho Jpn Gen	OT	OT	IRL	11/27	JPY	7473.00	-6.8	-4.2	-30.4
Yuki Mizuho Jpn Gro	OT	OT	IRL	11/27	JPY	5657.00	-9.5	-6.2	-32.7
Yuki Mizuho Jpn Inc	OT	OT	IRL	11/27	JPY	6837.00	-14.0	-11.7	-28.0
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	11/27	JPY	4537.00	-9.0	-7.2	-30.6
Yuki Mizuho Jpn LowP	OT	OT	IRL	11/27	JPY	10187.00	-10.1	-4.5	-26.0
Yuki Mizuho Jpn PGth	OT	OT	IRL	11/27	JPY	7072.00	-7.4	-4.7	-34.5
Yuki Mizuho Jpn SmCp	OT	OT	IRL	11/27	JPY	6483.00	5.7	10.0	-29.7
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	11/27	JPY	5033.00	-3.1	1.9	-26.8
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	11/27	JPY	2564.00	7.4	9.2	-34.2

Yuki Shizuoka Japan Series

Yuki Shizuoka General Japan	JP	EQ	IRL	11/27	JPY	4708.00	-7.7	-5.1	-30.8

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Brazil	0.62%	**103.5%**	106.9%
Russia	0.27	**92.5**	106.2
China 88	3.60	**79.9**	73.9
Turkey	unch.	**64.9**	82.7
Singapore	-1.16	**56.9**	63.7
Hong Kong	3.07	**48.6**	54.3
Sweden	-1.14	**47.2**	61.4
South Korea	2.09	**41.0**	49.3
Netherlands	-0.63	**31.5**	40.0
Canada	0.82	**27.7**	37.4
Australia	3.24	**26.3**	26.7
Switzerland	-0.88	**20.3**	23.5
South Africa	0.30	**18.6**	27.9
U.K.	-0.38	**17.5**	28.8
Italy	-0.53	**16.1**	19.9
France	-0.61	**15.5**	20.1
Spain	-0.76	**14.6**	23.8
Germany	-0.63	**12.1**	22.7
Japan	3.79	**-1.3%**	1.8

Dow Jones Regional Sector Titans

Basic Res	1.16%	**78.2%**	102.4%
Tiger 50*	2.47	**52.9**	62.1
Technology	0.18	**47.4**	61.0
Nordic 30 -p	1.65	**35.4**	29.2
EU Enlarged†-p	0.94	**30.7**	23.4
Asian 50	3.70	**28.8**	38.1
Global 50	0.10	**20.1**	29.8
Stoxx 50 -p	1.03	**18.3**	14.2
Euro Stoxx 50 -p	1.13	**15.7**	16.5
Arab 50	-2.77	**3.2**	-0.2

*Asia excluding Japan †15 companies from the new EU countries; Cyprus, CzechRepublic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Dow Jones Indexes

Dow Jones Asia Titans: Monday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Mizuho Financial Grp	Japan	Banks	$26.3	162.00	**9.46%**	-35.0%	-80.9%
Sumitomo Mitsui Finl	Japan	Banks	33.2	2,850	**8.78**	-17.9	-76.8
Mitsubishi UFJ Finl Grp	Japan	Banks	64.4	482.00	**8.56**	-5.3	-67.4
National Australia Bk	Australia	Banks	53.9	28.62	**5.96**	47.3	-25.5
East Japan Railway	Japan	Travel Tourism	28.2	6,100	**5.72**	-15.8	-22.2
Nintendo	Japan	Toys	$31.3	21,210	**-0.47%**	-29.5	-21.1
Woolworths	Australia	Food Retailers Wholesalers	31.5	28.05	**0.57%**	2.8	29.7
Hon Hai Precision Ind	Taiwan	Electrical Components Equipment	36.0	136.00	**0.74**	139.5	-7.4
POSCO	South Korea	Iron Steel	36.4	558,000	**0.90**	67.3	90.8
Samsung Elec	South Korea	Semiconductors	91.3	720,000	**1.12**	51.1	12.3

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
China Constr Bk Hong Kong (Banks)	200.1	6.90	**5.18%**	61.2%	70.8%
Indl Comm Bk China Hong Kong (Banks)	70.2	6.55	**4.63**	65.8	68.4
RioZim Ltd Australia (General Mining)	39.7	71.66	**4.54**	112.6	21.8
Aus NZ Bk Australia (Banks)	50.7	22.15	**4.53**	54.0	-20.4
Shin-Etsu Chml Japan (Specialty Chemicals)	23.0	4,690	**4.45**	27.5	-38.0
Tokio Marine Japan (Property Casualty Insurance)	22.6	2,485	**4.41**	6.9	-40.1
Westpac Bking Australia (Banks)	64.2	24.14	**4.37**	42.5	1.6
Commonwealth Bk of Australia Australia (Banks)	73.3	52.80	**4.35**	60.0	12.2
Toyota Motor Japan (Automobiles)	125.0	3,440	**4.24**	16.8	-50.6
Panasonic Japan (Consumer Electronics)	26.6	1,111	**4.12**	-3.3	-50.2
Canon Japan (Electronic Office Equipment)	47.4	3,330	**4.06**	18.3	-44.6
Kansai Elec Power Japan (Conventional Electricity)	23.7	2,150	**3.86**	-16.3	-27.0
Mitsubishi Japan (Industrial Suppliers)	37.0	1,950	**3.78**	63.5	-11.4
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	38.0	114.90	**3.70**	84.6	30.5
Nippon Steel Japan (Iron Steel)	23.3	321.00	**3.55**	11.1	-39.2
Mitsui Japan (Industrial Suppliers)	23.9	1,144	**3.53**	34.3	-28.5
Nissan Motor Japan (Automobiles)	32.7	626.00	**3.47**	103.3	-55.1
China Life Ins Hong Kong (Life Insurance)	37.3	38.80	**3.19**	89.7	109.3
Shinhan Financial Grp South Korea (Banks)	18.6	45,550	**3.17**	59.8	4.5
KB Fncl Group South Korea (Banks)	19.2	58,000	**2.84**	105.7	-16.0

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Westfield Grp Australia (Retail REITs)	25.4	12.21	**2.78%**	-18.6%	-35.5%
JFE Hldgs Japan (Iron Steel)	17.3	2,840	**2.71**	22.4	-48.4
Sony Japan (Consumer Electronics)	26.7	2,325	**2.65**	26.6	-48.9
Takeda Pharm Japan (Pharmaceuticals)	32.8	3,600	**2.56**	-22.3	-52.1
Nippon T&T Japan (Fixed Line Telecommunications)	57.3	3,750	**2.46**	-11.6	-36.1
QBE Ins Grp Australia (Reinsurance)	20.4	22.24	**2.35**	-7.1	-13.0
PetroChina Hong Kong (Integrated Oil Gas)	26.1	9.60	**2.35**	46.3	-3.8
Japan Tobacco Japan (Tobacco)	28.3	255,800	**2.32**	-24.5	-48.8
Cheung Kong (Hldgs) Hong Kong (Real Estate Holding Development)	29.1	97.40	**2.31**	36.2	6.2
BHP Billiton Australia (General Mining)	126.6	41.30	**2.25**	38.1	58.9
KDDI Japan (Mobile Telecommunications)	23.9	467,000	**1.97**	-24.8	-41.3
Tokyo Elec Power Japan (Conventional Electricity)	36.3	2,330	**1.97**	-19.0	-35.6
Hutchison Whampoa Hong Kong (Diversified Industrials)	28.8	52.40	**1.95**	37.7	-27.9
Seven I Hldgs Japan (Broadline Retailers)	20.2	1,933	**1.90**	-28.3	-47.2
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	49.1	61.10	**1.83**	50.5	-6.5
NTT DoCoMo Japan (Mobile Telecommunications)	64.5	131,000	**1.55**	-20.2	-27.2
Honda Motor Japan (Automobiles)	57.0	2,700	**1.50**	33.3	-32.3
CNOOC Hong Kong (Exploration Production)	68.8	11.94	**1.36**	83.7	76.4
Woodside Petroleum Australia (Exploration Production)	31.6	48.75	**1.35**	34.7	30.0
China Mobile (HK) Hong Kong (Mobile Telecommunications)	186.2	72.60	**1.18**	-0.2	14.7

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
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Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.14%	0.50%	1.7%	7.4%	8.9%
Event Driven	0.31	0.76	4.6	14.4	8.6
Equity Long/Short	-0.07	-1.04	-0.2	3.0	-4.1

*Estimates as of 11/25/09, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

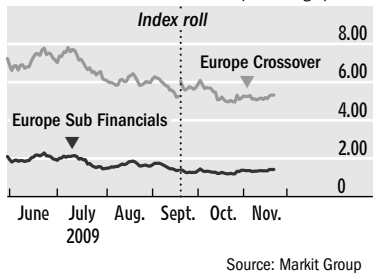
Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.90	100.46%	0.01%	1.00	0.78	0.86
Eur. High Volatility: 12/1	1.42	98.09	0.01	1.76	1.33	1.45
Europe Crossover: 12/1	5.45	98.21	0.05	6.15	4.87	5.35
Asia ex-Japan IG: 12/1	1.29	98.66	0.01	1.29	0.96	1.10
Japan: 12/1	1.68	96.76	0.01	1.68	0.99	1.30

Note: Data as of November 27

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Citic Pac	226	**-17**	-19	26
Nippon Paper Inds	105	**-5**	15	15
Nankai Elec Rwy	76	**-3**	-2	3
SP Powerassets	46	**-3**	-3	...
Sanyo Elec	76	**-2**	1	-2
Kirin Hldgs	34	**-2**	-1	1
Casio Computer	60	**-1**	2	6
Nomura Hldgs	183	**-1**	9	27
Nikon	54	**...**	4	4
ACOM	427	**...**	-8	-113

And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Taisei	418	**22**	68	130
Mitsubishi Heavy Inds	115	**24**	26	39
Shimizu	204	**30**	54	82
IHI	356	**33**	90	136
Taiheiyo Cem	552	**34**	52	159
Socialist Rep Vietnam	264	**34**	54	68
Obayashi	248	**35**	55	105
Kajima	366	**36**	77	173
Nippon Sheet Glass	231	**40**	43	36
Nishimatsu Constr	586	**42**	83	66

Source: Markit Group

Behind Asia's deals: Bank revenue rankings, Asia (ex Japan)

Behind every IPO, bond offering, merger deal or syndicated loan is one or more investment banks. Here are investment banks ranked by year-to-date revenues from recent deals.

	Revenue, in millions	Market share	PERCENTAGE OF TOTAL REVENUE Equity capital markets	Debt capital markets	Mergers & acquisitions	Loans
UBS	$267	6.0%	69%	15%	16%	...
JPMorgan	219	4.9	81	10	8	1%
Morgan Stanley	216	4.8	75	9	15	...
Credit Suisse	215	4.8	66	12	21	1
Goldman Sachs	184	4.1	74	6	20	...
CITIC Securities	180	4.0	78	19	3	...
China International Capital Corp Ltd	168	3.8	77	16	7	...
Citi	167	3.7	70	17	11	3
Deutsche Bank	165	3.7	57	21	19	2

Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)*	CBOT	**410.00**	-3.50	**-0.85%**	712.25	315.50
Soybeans (cents/bu.)*	CBOT	**1057.00**	4.00	**0.38%**	1,315.00	794.00
Wheat (cents/bu.)*	CBOT	**584.00**	14.25	**2.50**	1,029.25	459.00
Live cattle (cents/lb.)*	CME	**85.600**	0.125	**0.15**	108.600	84.150
Cocoa ($/ton)*	ICE-US	**3,273**	1	**0.03**	3,439	1,994
Coffee (cents/lb.)*	ICE-US	**141.30**	3.25	**2.35**	188.65	115.00
Sugar (cents/lb.)*	ICE-US	**22.51**	-0.26	**-1.14**	26.25	11.91
Cotton (cents/lb.)*	ICE-US	**74.13**	0.29	**0.39**	84.00	49.67
Crude palm oil (ringgit/ton)	MDEX	**2,472.00**	-10	**-0.40**	2,521	2,013
Cocoa (pounds/ton)	LIFFE	**2,186**	10	**0.46**	2,226	1,310
Robusta coffee ($/ton)	LIFFE	**1,349**	17	**1.28**	1,955	1,295
Copper (cents/lb.)	COMEX	**315.60**	3.05	**0.98**	365.00	135.50
Gold ($/troy oz.)*	COMEX	**1172.20**	-2.00	**-0.17**	1,196.80	762.30
Silver (cents/troy oz.)*	COMEX	**1827.00**	-6.50	**-0.35**	2,011.50	1,045.00
Aluminum ($/ton)	LME	**2,034.00**	47.00	**2.37**	2,069.00	1,288.00
Tin ($/ton)	LME	**14,750.00**	-50.00	**-0.34**	15,700.00	9,750.00
Copper ($/ton)	LME	**6,831.00**	60.50	**0.89**	6,968.00	2,815.00
Lead ($/ton)	LME	**2,315.00**	10.00	**0.43**	2,459.50	870.00
Zinc ($/ton)	LME	**2,250.00**	25.00	**1.12**	2,344.00	1,065.00
Nickel ($/ton)	LME	**16,075**	-150	**-0.92**	21,150	9,175
Crude oil ($/bbl.)	NYMEX	**75.80**	-0.25	**-0.33**	139.00	47.31
Heating oil ($/gal.)*	NYMEX	**2.0244**	0.0148	**0.74**	4.1847	1.3640
RBOB gasoline ($/gal.)*	NYMEX	**1.9891**	0.0343	**1.75**	2.7100	1.1525
Natural gas ($/mmBtu)*	NYMEX	**4.895**	-0.297	**-5.72**	12.920	4.560
Brent crude ($/bbl.)	ICE-EU	**77.61**	0.43	**0.56**	108.19	48.19
Gas oil ($/ton)	ICE-EU	**627.25**	10.25	**1.66**	790.00	443.50

Source: Thomson Reuters; WSJ Market Data Group

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Currencies

London close on Nov. 30

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.7181	0.1749	3.8088	0.2626
Brazil real	2.6224	0.3813	1.7468	0.5725
Canada dollar	1.5834	0.6315	1.0547	0.9481
1-mo. forward	1.5834	0.6315	1.0547	0.9481
3-mos. forward	1.5835	0.6315	1.0547	0.9481
6-mos. forward	1.5837	0.6314	1.0549	0.9480
Chile peso	745.62	0.001341	496.65	0.002013
Colombia peso	3000.27	0.0003333	1998.45	0.0005004
Ecuador US dollar-f	1.5013	0.6661	1	1
Mexico peso-a	19.3765	0.0516	12.9065	0.0775
Peru sol	4.3252	0.2312	2.8810	0.3471
Uruguay peso-e	30.371	0.0329	20.230	0.0494
U.S. dollar	1.5013	0.6661	1	1
Venezuela bolivar	3.22	0.310199	2.15	0.465701
ASIA-PACIFIC				
Australia dollar	1.6404	0.6096	1.0927	0.9152
China yuan	10.2496	0.0976	6.8272	0.1465
Hong Kong dollar	11.6352	0.0859	7.7501	0.1290
India rupee	69.6753	0.0144	46.4100	0.0215
Indonesia rupiah	14195	0.0000705	9455	0.0001058
Japan yen	129.34	0.007731	86.16	0.011607
1-mo. forward	129.32	0.007733	86.14	0.011609
3-mos. forward	129.29	0.007735	86.12	0.011612
6-mos. forward	129.20	0.007740	86.06	0.011620
Malaysia ringgit-c	5.0992	0.1961	3.3965	0.2944
New Zealand dollar	2.0990	0.4764	1.3981	0.7153
Pakistan rupee	124.983	0.0080	83.250	0.0120
Philippines peso	70.599	0.0142	47.025	0.0213
Singapore dollar	2.0797	0.4808	1.3853	0.7219
South Korea won	1745.56	0.0005729	1162.70	0.0008601
Taiwan dollar	48.417	0.02065	32.250	0.03101
Thailand baht	49.866	0.02005	33.215	0.03011

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.6661	1.5013
1-mo. forward	1.0001	0.9999	0.6661	1.5012
3-mos. forward	1.0004	0.9996	0.6663	1.5007
6-mos. forward	1.0011	0.9989	0.6669	1.4996
Czech Rep. koruna-b	26.117	0.0383	17.397	0.0575
Denmark krone	7.4416	0.1344	4.9568	0.2017
Hungary forint	273.94	0.003650	182.47	0.005480
Norway krone	8.5251	0.1173	5.6785	0.1761
Poland zloty	4.1563	0.2406	2.7685	0.3612
Russia ruble-d	43.877	0.02279	29.226	0.03422
Sweden krona	10.4899	0.0953	6.9872	0.1431
Switzerland franc	1.5078	0.6632	1.0044	0.9957
1-mo. forward	1.5075	0.6634	1.0041	0.9959
3-mos. forward	1.5069	0.6636	1.0037	0.9963
6-mos. forward	1.5057	0.6641	1.0030	0.9971
Turkey lira	2.2962	0.4355	1.5295	0.6538
U.K. pound	0.9148	1.0932	0.6093	1.6411
1-mo. forward	0.9150	1.0929	0.6094	1.6408
3-mos. forward	0.9153	1.0925	0.6097	1.6402
6-mos. forward	0.9158	1.0919	0.6100	1.6393
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5660	1.7669	0.3770	2.6526
Egypt pound-a	8.2226	0.1216	5.4770	0.1826
Israel shekel	5.6899	0.1757	3.7900	0.2639
Jordan dinar	1.0633	0.9405	0.7083	1.4119
Kuwait dinar	0.4277	2.3383	0.2849	3.5105
Lebanon pound	2254.20	0.0004436	1501.50	0.0006660
Saudi Arabia riyal	5.6300	0.1776	3.7501	0.2667
South Africa rand	11.1517	0.0897	7.4280	0.1346
United Arab dirham	5.5144	0.1813	3.6731	0.2722
SDR -f	0.9324	1.0725	0.6210	1.6102

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
45	**ASIA-PACIFIC**	DJ Asia-Pacific	120.02	3.41	**2.92%**	28.2%	39.1%
...	Australia	SPX/ASX 200	4701.35	129.28	**2.83**	26.3	27.7
...	China	CBN 600	28568.19	1072.50	**3.90**	93.5	90.3
20	Hong Kong	Hang Seng	21821.50	687.00	**3.25**	51.7	54.7
19	India	Sensex	16926.22	294.21	**1.77**	75.5	91.5
...	Indonesia	Jakarta Composite	2415.837	22.318	**0.93**	78.2	97.5
...	Japan	Nikkei Stock Average	9345.55	264.03	**2.91**	5.5	11.3
...		Topix	839.94	28.93	**3.57**	-2.2	1.5
...	Malaysia	Kuala Lumpur Composite	1259.11	-11.50	**-0.91%**	43.6	48.4
...	New Zealand	NZSX-50	3125.523	31.086	**1.00**	15.1	16.5
8	Pakistan	KSE 100	9206.21		**Closed**	57.0	0.2
15	Philippines	Manila Composite	3044.97		**Closed**	62.6	54.4
...	Singapore	Straits Times	2732.12	-30.10	**-1.09**	55.1	61.6
11	South Korea	Kospi	1555.60	31.10	**2.04**	38.3	46.9
21	Taiwan	Weighted	7582.21	91.30	**1.22**	65.1	67.8
10	Thailand	SET	689.07	8.70	**1.28**	53.1	76.3
50	**EUROPE**	DJ Stoxx 600	239.58	-3.02	**-1.24**	21.7	23.6
22		DJ Stoxx 50	2437.15	-28.13	**-1.14**	18.0	20.1
40	**Euro Zone**	DJ Euro Stoxx	260.86	-2.62	**-0.99%**	17.1%	24.1%
18		DJ Euro Stoxx 50	2803.59	-27.55	**-0.97**	14.4	22.5
18	Denmark	OMX Copenhagen	305.95	-0.41	**-0.13**	35.3	29.7
18	Finland	OMX Helsinki	6104.17	-86.80	**-1.40**	13.0	15.4
18	France	CAC-40	3680.15	-41.30	**-1.11**	14.4	19.5
22	Germany	DAX	5625.95	-59.66	**-1.05**	17.0	28.0
16	Italy	FTSE MIB	21928.16	-277.12	**-1.25**	12.7	17.0
...	Netherlands	AEX	305.90	-3.62	**-1.17**	24.4	29.9
...	Russia	RTSI	1374.93	5.33	**0.39%**	117.6	117.6
11	Spain	IBEX 35	11644.7	-132.1	**-1.12**	26.6	36.8
14	Switzerland	SMI	6260.95	-75.71	**-1.19**	13.1	13.3
...	Turkey	ISE National 100	45350.17		**Closed**	68.8	86.4
13	U.K.	FTSE 100	5190.68	-55.05	**-1.05**	17.1	27.7
1	**AMERICAS**	DJ Americas	288.56	0.44	**0.15**	27.6	38.3
...	Brazil	Bovespa	67081.02	-1.13	**unch.**	78.6	93.0
...	Argentina	Merval	2155.92	-32.66	**-1.49**	99.7	131.6
20	Mexico	IPC	30820.28	44.83	**0.15**	37.7	55.2

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones and Dow Jones Stoxx Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	Three-yr., annualized
2.23%	2	**DJ Global Index**	222.06	1.31	**1.31%**	43.6%	0.6%	-6.5%
1.94	20	**Global DOW**	1938.20	11.59	**11.59**	41.2	0.6	-2.3
2.59		**Asia/Pacific 600**	112.93	3.63	**3.63**	27.3	3.3	-7.5
1.83	0	**Emerging Markets**	269.44	3.91	**3.91**	91.8	1.5	3.4
2.34	45	**Asia/Pacific**	120.02	3.42	**3.42**	39.1	2.9	-5.6
2.58	17	**Asia/Pacific ex-Japan**	304.04	7.31	**7.31**	80.5	2.5	0.5
2.78	24	**Southeast Asia**	151.15	0.80	**0.80**	78.9	0.5	1.5
0.87	32	**CBN China 600** -c	28568.19	1072.50	**1072.50**	90.3	3.9	28.5
0.90	35	**Shanghai**	380.27	13.92	**13.92**	90.0	3.8	28.3
0.61	54	**Shenzhen**	410.16	17.34	**17.34**	113.8	4.4	34.4
2.24	20	**China Offshore 50**	4110.23	130.72	**130.72**	65.0	3.3	12.2
9.42	9	**Australia LPT** -c, d	1124.86	29.93	**29.93**	-8.0	2.7	-20.8

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	Three-yr., annualized
2.19%	14	**Islamic Market**	1923.53	6.22	**6.22%**	44.4%	0.3%	-2.3%
2.50	15	**Islamic Market 100**	2085.63	1.38	**1.38**	31.1	0.1	-2.8
9.81	20	**Bahrain**	119.86	0.00	**0.00**	-27.3	0.0	-13.5
2.84	31	**Kuwait**	196.14	0.00	**0.00**	-26.0	0.0	-15.0
2.67	19	**Sustainability**	1000.64	2.45	**2.45**	44.2	0.3	-6.9
2.81	50	**Stoxx 600 -p**	271.37	2.91	**2.91**	38.8	1.1	-7.6
4.95	13	**Stoxx Select Div 30 -p**	1796.15	21.95	**21.95**	35.1	1.2	-19.4
4.20	16	**Euro Stoxx Sel Div 30 -p**	2145.42	26.07	**26.07**	43.9	1.2	-14.9
1.80	29	**DJ U.S. TSM**	11155.23	2.12	**2.12**	37.3	0.0	-7.5
4.12	15	**U.S. Select Dividend -d**	626.30	-0.57	**-0.57**	19.2	-0.1	-10.5
4.90		**U.S. REIT**	133.36	0.90	**0.90**	54.5	0.7	-21.1
		DJ-UBS Commodity -p	135.32	-1.92	**-1.92**	10.2	-1.4	-7.7

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.093	0.609	1.055	6.827	0.666	7.750	46.410	9454.48	86.155	1.398	1162.70	3.396	47.025	1.385	1.004	32.250	33.215
Australia	0.915		0.558	0.965	6.248	0.610	7.093	42.474	8652.74	78.849	1.280	1064.10	3.108	43.037	1.268	0.919	29.515	30.398
Britain	1.641	1.793		1.731	11.204	1.093	12.719	76.166	15516.21	141.393	2.295	1908.16	5.574	77.175	2.273	1.648	52.927	54.511
Canada	0.948	1.036	0.578		6.473	0.632	7.348	44.003	8964.14	81.687	1.326	1102.40	3.220	44.586	1.313	0.952	30.577	31.492
China	0.1465	0.160	0.089	0.154		0.098	1.135	6.798	1384.84	12.619	0.205	170.30	0.497	6.888	0.203	0.147	4.724	4.865
Euro	1.501	1.640	0.915	1.583	10.250		11.635	69.675	14194.01	129.344	2.099	1745.56	5.099	70.599	2.080	1.508	48.417	49.866
Hong Kong	0.129	0.141	0.079	0.136	0.881	0.086		5.988	1219.92	11.117	0.180	150.02	0.438	6.068	0.179	0.130	4.161	4.286
India	0.0215	0.0235	0.0131	0.0227	0.1471	0.0144	0.1670		203.72	1.8564	0.0301	25.05	0.0732	1.0133	0.0298	0.0216	0.6949	0.7157
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0049		0.0091	0.0001	0.12	0.0004	0.0050	0.0001	0.0001	0.0034	0.0035
Japan	0.012	0.013	0.007	0.012	0.079	0.008	0.090	0.539	109.74		0.016	13.50	0.039	0.546	0.016	0.012	0.374	0.386
New Zealand	0.715	0.782	0.436	0.754	4.883	0.476	5.543	33.195	6762.31	61.622		831.62	2.429	33.635	0.991	0.718	23.067	23.757
South Korea	0.0009	0.0009	0.0005	0.0009	0.0059	0.0006	0.0067	0.0399	8.13	0.0741	0.0012		0.0029	0.0404	0.0012	0.0009	0.0277	0.0286
Malaysia	0.294	0.322	0.179	0.311	2.010	0.196	2.282	13.664	2783.59	25.366	0.412	342.32		13.845	0.408	0.296	9.495	9.779
Philippines	0.021	0.023	0.013	0.022	0.145	0.014	0.165	0.987	201.05	1.832	0.030	24.73	0.072		0.029	0.021	0.686	0.706
Singapore	0.722	0.789	0.440	0.761	4.928	0.481	5.595	33.503	6825.11	62.195	1.009	839.34	2.452	33.947		0.725	23.281	23.978
Switzerland	0.996	1.088	0.607	1.050	6.798	0.663	7.717	46.209	9413.53	85.782	1.392	1157.66	3.382	46.821	1.379		32.110	33.071
Taiwan	0.031	0.034	0.019	0.033	0.212	0.021	0.240	1.439	293.16	2.671	0.043	36.05	0.105	1.458	0.043	0.031		1.030
Thailand	0.030	0.033	0.018	0.032	0.206	0.020	0.233	1.397	284.64	2.594	0.042	35.01	0.102	1.416	0.042	0.030	0.971	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of November. 30, 2009

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.50%	23	**ALL COUNTRY (AC) WORLD***	292.21	-1.00%	**28.3%**	23.8%
2.60	24	**World (Developed Markets)**	1,144.58	-0.89	**24.4**	19.6
1.90	1638	**World Small Cap**	181.65	-1.20	**35.3**	30.9
2.70	20	**Kokusai (World ex-Japan)**	1,139.32	-0.72	**27.7**	21.2
3.10	25	**EAFE**	1,553.26	-0.14	**25.5**	25.4
2.30	19	**Emerging Markets (EM)**	941.01	-1.77	**66.0**	64.9
2.70	24	**AC ASIA PACIFIC EX-JAPAN**	392.04	-3.50	**58.5**	60.9
2.20	25	**AC Far East ex-Japan**	421.85	-3.85	**54.7**	60.6
1.30	40	**Japan**	504.00	-2.39	**-4.9**	-6.5
2.10	20	**China**	62.33	-4.60	**52.8**	76.1
0.90	37	**China A (China Domestic)**	3,215.67	-2.79	**85.4**	105.3
2.60	23	**Hong Kong**	9,732.81	-3.33	**48.5**	52.0
1.00	19	**India**	671.25	-1.40	**81.8**	75.4
0.90	24	**Korea**	434.07	-4.79	**41.4**	37.3
2.60	21	**Malaysia**	470.05	0.00	**46.3**	48.5
3.30	16	**Singapore**	1,544.80	0.00	**55.0**	54.8
2.70	377	**Taiwan**	271.42	-3.23	**56.6**	45.9
3.10	19	**Thailand**	276.13	-1.02	**49.2**	61.4
4.10	22	**Australia**	939.03	-2.97	**22.7**	13.3
5.10	17	**New Zealand**	83.98	-0.72	**10.6**	7.0
1.90	32	**US BROAD MARKET**	1,200.25	-1.79	**22.2**	13.9
3.50	17	**EUROPE**	84.36	1.14	**21.5**	8.2

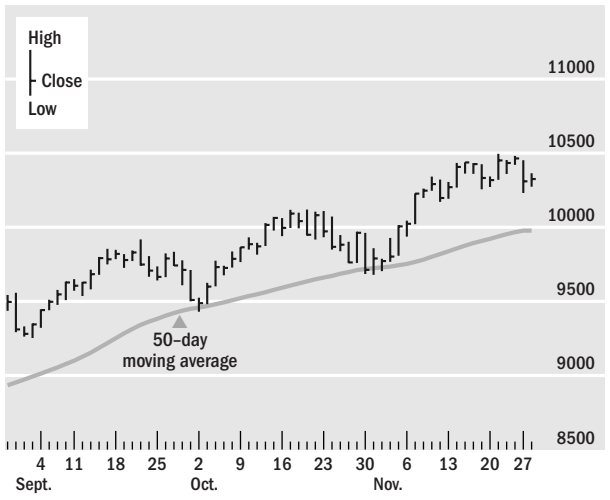
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 18

LAST: **10325.42** ▲ 15.50, or 0.15%
YEAR TO DATE: ▲ **1,549.03, or 17.6%**
OVER 52 WEEKS ▲ **2,176.33, or 26.7%**



Nasdaq Composite Index P/E: 44*

LAST: **2135.37** ▼ 3.07, or 0.14%
YEAR TO DATE: ▲ **558.34, or 35.4%**
OVER 52 WEEKS ▲ **737.30, or 52.7%**

S&P 500 Index P/E: 71

LAST: **1093.49** ▲ 2.00, or 0.18%
YEAR TO DATE: ▲ **190.24, or 21.1%**
OVER 52 WEEKS ▲ **277.28, or 34.0%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**8.90**	$26.73	-0.26	**-0.96%**
Alcoa	AA	**8.90**	12.60	-0.06	**-0.47**
AmExpress	AXP	**4.00**	40.90	0.06	**0.15**
BankAm	BAC	**51.60**	15.60	0.13	**0.84**
Boeing	BA	**1.20**	51.92	-0.53	**-1.01**
Caterpillar	CAT	**3.50**	57.80	0.35	**0.61**
Chevron	CVX	**3.10**	77.83	-0.34	**-0.43**
CiscoSys	CSCO	**13.10**	23.23	-0.15	**-0.64**
CocaCola	KO	**3.10**	56.93	-0.25	**-0.44**
Disney	DIS	**3.10**	30.04	-0.31	**-1.02**
DuPont	DD	**1.90**	34.21	-0.19	**-0.55**
ExxonMobil	XOM	**6.50**	74.81	-0.06	**-0.08**
GenElec	GE	**27.20**	15.87	-0.07	**-0.44**
HewlettPk	HPQ	**6.30**	48.91	-0.16	**-0.33**
HomeDpt	HD	**6.70**	27.04	-0.57	**-2.06**
Intel	INTC	**20.60**	19.03	-0.08	**-0.42**
IBM	IBM	**2.50**	125.06	-0.64	**-0.51**
JPMorgChas	JPM	**11.90**	41.81	0.48	**1.16**
JohnsJohns	JNJ	**3.50**	62.53	-0.36	**-0.57**
KftFoods	KFT	**2.80**	26.48	-0.16	**-0.60**
McDonalds	MCD	**2.10**	63.12	-0.48	**-0.76**
Merck	MRK	**6.40**	35.91	-0.38	**-1.05**
Microsoft	MSFT	**17.00**	29.10	-0.12	**-0.41**
Pfizer	PFE	**18.20**	18.27	0.02	**0.10**
ProctGamb	PG	**3.30**	62.46	-0.02	**-0.03**
3M	MMM	**1.50**	76.65	-0.10	**-0.13**
TravelersCos	TRV	**1.30**	51.94	0.29	**0.56**
UnitedTech	UTX	**1.40**	66.84	-0.36	**-0.54**
Verizon	VZ	**5.30**	31.71	0.08	**0.25**
WalMart	WMT	**5.00**	54.12	-0.51	**-0.93**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**143.7**	$4.07	$0.01	**0.25%**
SPDR S&P 500	SPY	**73.3**	109.13	-0.44	**-0.40**
BankAm	BAC	**53.4**	15.59	0.12	**0.78**
iShrRu2000	IWM	**40.1**	56.94	-0.64	**-1.11**
DrxFinancBear 3x	FAZ	**39.4**	20.72	-0.52	**-2.45**
iShrMSCIEmrgMkt	EEM	**39.1**	40.16	0.03	**0.07**
PwrShrs QQQ	QQQQ	**38.8**	43.19	-0.32	**-0.74**
SPDR FnclSelSct	XLF	**36.6**	14.39	0.11	**0.77**
GenElec	GE	**27.4**	15.86	-0.08	**-0.50**
FordMotor	F	**26.5**	8.78	0.05	**0.57**
US NatGas	UNG	**23.3**	9.23	-0.60	**-6.10**
AmIntlGp	AIG	**22.5**	29.30	-4.00	**-12.01**
Pfizer	PFE	**21.2**	18.26	0.01	**0.05**
Intel	INTC	**20.6**	19.02	-0.09	**-0.47**
SprintNextel	S	**19.2**	3.69	-0.06	**-1.60**

Biggest gainers...

Invitel	IHO	**20.7**	$3.76	$0.82	**27.99%**
IsilonSystems	ISLN	**349.3**	5.93	0.57	**10.63**
EmmComm pfA	EMMSP	**2.1**	15.23	1.45	**10.49**
ZymoGene	ZGEN	**782.8**	6.07	0.55	**9.96**
WainwrtBk	WAIN	**3.6**	7.26	0.65	**9.76**

...Biggest losers

ChnXD Plastc	CXDC	**51.1**	$8.41	-$2.37	**-21.94%**
FrontierFnl	FTBKD	**72.6**	3.14	-0.56	**-15.14**
1stCnsttnBcp	FCCY	**3.1**	6.00	-0.89	**-12.92**
AmIntlGp	AIG	**22,496.7**	29.30	-4.00	**-12.01**
Geokinetics	GOK	**74.3**	9.50	-1.16	**-10.88**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.39	$5.72	**Taiwan Semi**	TSM	**3,757.6**	$10.31	0.00	**0%**
11.73	5.31	**AU Optrncs**	AUO	**2,125.2**	10.42	0.01	**0.10**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**1,850.4**	5.48	0.26	**4.98**
59.22	40.20	**China Mobile**	CHL	**1,795.6**	46.25	-1.42	**-2.98**
77.51	32.33	**BHP Billiton**	BHP	**1,598.8**	74.17	-0.52	**-0.70**
3.87	1.62	**Utd Microelectronics**	UMC	**1,241.3**	3.43	-0.03	**-0.87**
15.95	8.56	**China Unicom**	CHU	**730.4**	13.30	-0.05	**-0.37**
18.80	12.59	**SK Telecom**	SKM	**710.0**	16.53	-0.45	**-2.63**
8.19	3.14	**Siliconware Prec Ind**	SPIL	**546.9**	6.68	-0.05	**-0.74**
4.63	1.36	**Adv Semi Engrg**	ASX	**466.2**	3.94	-0.18	**-4.37**
52.99	21.87	**Infosys Tech**	INFY	**461.5**	51.02	0.45	**0.89**
30.82	15.64	**Sony**	SNE	**375.4**	26.60	-0.08	**-0.30**
79.00	36.22	**China Life Ins**	LFC	**321.4**	74.96	-0.14	**-0.19**
19.56	15.05	**ChunghwaTel**	CHT	**285.5**	17.73	-0.02	**-0.11**
9.50	3.96	**Nomura Hldgs**	NMR	**259.7**	7.10	0.18	**2.60**
15.29	6.85	**Korea Elec Pwr**	KEP	**259.0**	13.63	-0.14	**-1.02**
32.79	9.91	**Aluminum Cp of China**	ACH	**205.3**	27.45	-0.19	**-0.69**
87.67	55.41	**Toyota Motor**	TM	**196.0**	78.20	1.18	**1.53**
27.96	17.71	**NTT**	NTT	**181.7**	21.47	0.34	**1.61**
17.66	10.46	**KT Corp**	KTC	**181.0**	16.56	-0.26	**-1.55**
135.92	63.94	**PetroChina**	PTR	**164.6**	123.68	-1.29	**-1.03**
7.10	2.00	**Alumina**	AWC	**159.4**	5.54	-0.12	**-2.12**
150.50	47.09	**POSCO**	PKX	**157.2**	118.52	-1.31	**-1.09**
94.00	46.45	**China Petro & Chem**	SNP	**156.2**	83.00	-1.50	**-1.78**
41.25	21.23	**Canon**	CAJ	**156.0**	38.03	0.75	**2.01**
32.99	17.35	**Honda Motor**	HMC	**148.6**	30.71	-0.33	**-1.06**
167.15	71.74	**CNOOC**	CEO	**146.6**	153.48	-3.30	**-2.10**
20.55	4.74	**Yanzhou Coal Mining**	YZC	**136.5**	19.77	0.24	**1.23**
20.35	13.11	**NTT DoCoMo**	DCM	**101.7**	15.06	0.09	**0.60**
56.41	31.92	**ChinaTele**	CHA	**81.1**	44.01	0.07	**0.15**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

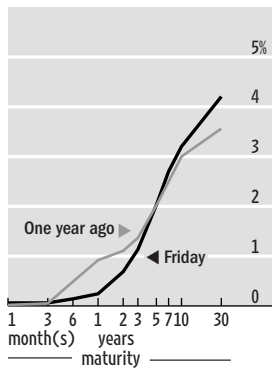
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.325%**	**363.4**	361.8	379.8	**217.5**	**4.305%**	4.697%	**3.177%**
4.500	10	**5.285**	**205.8**	206.8	223.3	**166.9**	**5.275**	5.623	**4.592**
5.250	**Austria** 2	**0.956**	**26.5**	26.4	7.9	**131.1**	**0.951**	0.978	**2.313**
4.350	10	**3.514**	**28.7**	30.7	20.5	**98.7**	**3.514**	3.595	**3.910**
3.500	**Belgium** 2	**1.064**	**37.3**	37.4	24.2	**155.3**	**1.061**	1.141	**2.555**
4.000	10	**3.562**	**33.5**	38.7	25.7	**106.4**	**3.594**	3.647	**3.987**
1.250	**Canada** 2	**1.105**	**41.4**	43.1	31.8	**69.5**	**1.118**	1.217	**1.697**
3.750	10	**3.215**	**-1.2**	2.0	3.2	**40.2**	**3.227**	3.422	**3.325**
4.000	**Denmark** 2	**2.032**	**134.1**	144.5	149.8	**264.5**	**2.132**	2.397	**3.647**
4.000	10	**3.542**	**31.5**	37.0	25.5	**92.5**	**3.577**	3.645	**3.848**
1.500	**France** 2	**1.211**	**52.0**	53.0	50.1	**150.5**	**1.217**	1.400	**2.507**
3.750	10	**3.416**	**18.9**	21.8	16.9	**76.2**	**3.425**	3.559	**3.685**
1.250	**Germany** 2	**1.260**	**56.9**	60.0	41.0	**115.5**	**1.287**	1.309	**2.157**
3.250	10	**3.155**	**-7.2**	-5.8	-14.2	**32.5**	**3.149**	3.248	**3.248**
0.550	**Hong Kong** 2	**0.501**	**-19.0**	-19.6	-36.3	**-4.4**	**0.491**	0.536	**0.958**
2.640	10	**2.288**	**-93.9**	-94.0	-103.1	**-110.5**	**2.267**	2.359	**1.818**
3.750	**Italy** 2	**1.588**	**89.7**	87.5	64.1	**218.4**	**1.562**	1.540	**3.186**
4.250	10	**4.007**	**78.0**	80.7	55.7	**153.8**	**4.014**	3.947	**4.461**
0.300	**Japan** 2	**0.231**	**-46.0**	-45.2	-63.4	**-41.7**	**0.235**	0.265	**0.585**
1.300	10	**1.261**	**-196.6**	-195.7	-197.5	**-157.8**	**1.250**	1.415	**1.345**
4.000	**Netherlands** 2	**0.925**	**23.4**	20.9	6.8	**128.9**	**0.896**	0.967	**2.291**
4.000	10	**3.406**	**17.9**	20.7	14.9	**74.9**	**3.414**	3.539	**3.672**
3.200	**Portugal** 2	**1.217**	**52.6**	54.9	32.9	**196.5**	**1.236**	1.228	**2.967**
4.750	10	**3.745**	**51.8**	57.3	41.9	**110.4**	**3.780**	3.809	**4.027**
5.350	**Spain** 2	**1.370**	**67.9**	67.8	55.7	**171.0**	**1.365**	1.456	**2.712**
4.300	10	**3.750**	**52.3**	56.3	42.5	**97.5**	**3.770**	3.815	**3.898**
4.000	**Switzerland** 2	**0.394**	**-29.7**	-25.5	-35.0	**26.4**	**0.432**	0.549	**1.266**
3.000	10	**1.852**	**-137.5**	-132.1	-134.9	**-71.1**	**1.886**	2.041	**2.212**
3.250	**U.K.** 2	**1.150**	**45.9**	52.1	-4.4	**120.7**	**1.208**	0.855	**2.209**
4.500	10	**3.510**	**28.3**	34.0	23.4	**85.0**	**3.547**	3.624	**3.773**
0.750	**U.S.** 2	**0.691**	**...**	...	...	**...**	**0.687**	0.899	**1.002**
3.375	10	**3.227**	**...**	...	...	**...**	**3.207**	3.390	**2.923**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 2 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.205%**	16.78	0.98%	-1.75%	-20.40%	-6.93%
10-year Treasury	**3.202**	8.42	1.90	1.51	-4.74	1.64
7 Year Treasury	**2.701**	6.33	2.14	2.25	...	...
Five-year Treasury	**2.029**	4.72	1.73	2.13	2.10	4.99
Ryan Index	**2.326**	6.86	1.41	1.08	-3.36	2.09
3 Year Treasury	**1.133**	2.90	1.07	1.40	2.48	3.96
Two-year Treasury	**0.687**	1.98	0.59	0.89	2.03	2.94
1 Year Treasury	**0.244**	0.97	0.19	0.31	1.07	1.72
Six-month Treasury	**0.142**	0.50	0.04	0.07	0.64	0.95
Ryan Cash Index-a	**0.127**	0.45	0.06	0.11	0.55	0.79
Three-month bill	**0.061**	0.25	0.01	0.04	0.35	0.35
One-month bill	**0.061**	0.07	...	0.01	0.14	0.14

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	4.00%
Canada	**2.25**	4.00
Japan	**1.475**	1.675
Britain	**0.50**	3.00
ECB	**1.00**	3.25
Switzerland	**0.55**	2.04
Australia	**3.50**	5.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23531%**	1.91125%
Three month	**0.25656**	2.22000
Six month	**0.48813**	2.60625
One year	**1.01750**	2.77375

	Latest	52 wks ago
Euro Libor		
One month	**0.44250%**	3.52375%
Three month	**0.68000**	3.82375
Six month	**0.98000**	3.86375
One year	**1.22000**	3.92500
Hibor		
One month	**0.05071**	1.55357%
Three month	**0.10107**	2.03786
Six month	**0.26929**	2.38929
One year	**0.54929**	2.58929
Asian dollars		
One month	**0.2400%**	1.93%
Three month	**0.2658**	2.2450
Six month	**0.4850**	2.6175
One year	**1.0225**	2.7875

	Offer	Bid
Eurodollars		
One month	**0.2800%**	0.1800%
Three month	**0.3400**	0.2400
Six month	**0.4500**	0.3500
One year	**1.2500**	0.6500

	Latest	52 wks ago
U.S. discount	**0.50%**	1.25%
Fed-funds target	**0.25**	1.00
Call money	**2.00**	2.75
Overnight repurchase rates		
U.S.	**0.25%**	0.33%
U.K. (BBA)	**0.475**	2.867
Euro zone	**0.36**	2.88

Sources: WSJ Market Data Group; Reuters

Shhh! Traders are spending again

Confident of getting big bonuses, Wall Street's elite quietly open their wallets

By David Enrich And Susanne Craig

Conspicuous consumption is making a comeback on Wall Street. But no one wants to admit they're doing it.

As traders and investment bankers near the finish line of what looks like a boom year for pay, some are spending money like the financial crisis never happened. From $15,000-a-week Caribbean getaways to art auctions to $200,000 platinum wristwatches that automatically adjust for leap years, signs of the good life are returning.

"What we're seeing in the last four to eight weeks is a fairly substantial uptick" in demand for extravagant purchases as Wall Street employees grow more confident that the market's steep rebound so far in 2009 will soon bring them fat bonuses, says David Arnold, senior vice president at Robb Report, a magazine targeted at the super-wealthy.

Flight Options Inc., which sells 25-hour blocks of flight time on private planes starting at $97,000, says sales in the New York area are up sharply in the past month because of the market's resilience. "People are spending money again, and they're starting to travel consistent with their previous habits," says Jay Heublein, vice president of sales at the Richmond Heights, Ohio, company.

One of the most popular routes: the three-hour flight from New Jersey's Teterboro Airport, just a short ride from Manhattan, to Palm Beach International Airport, near second-home hotspots for some successful traders and bankers.

Extravagant spending won't help Wall Street clean up its reputation, especially since firms rescued by U.S. taxpayers are rebounding much faster than the rest of the country. But the high rollers reopening their wallets are at least trying to avoid being caught in the jarring displays of wealth that were a hallmark of the pre-crash years.

In 2007, private-equity giant Stephen Schwarzman hired Rod Stewart to play at his 60th-birthday bash. A 2003 bachelor party in Miami for a star trader featured dwarf-tossing.

These days, financial institutions are aggressively price-shopping among party venues, event planners say. Ice sculptures and elaborate floral arrangements are out. So is top-shelf liquor, with bars instead stocked with beer, wine and soda. Party planners are cutting parties to three hours from four.

"We're booking a number of holiday parties, but have been told to be very discreet about it," says Fred Seidler, who handles sales for Terminal 5, a trendy Manhattan concert venue that doubles as a party site. In December, the cavernous waterfront space is on track for as many as 15 corporate events, pushing sales toward a 60% increase from last year. He won't identify clients.

A senior investment banker at a major Wall Street firm recently planned to impress clients with front-row World Series tickets. The company, a recipient of U.S. government aid, nixed the plans, citing potentially bad publicity. The investment banker wound up schmoozing his clients about 20 rows behind third base at Yankees Stadium.

"We have to be cognizant of the fact that we will be judged in the court of public opinion," Citigroup Chief Executive Vikram Pandit told a gathering of employees this month. Christmas parties normally paid for by Citigroup bankers and traders out of their own pockets are being canceled due to the hostile political environment this year.

Wall Street bankers participated at a Sotheby's auction of contemporary art earlier this month. The auction included an Andy Warhol painting that fetched $43.7 million. Sotheby's won't say who bought the wallpaper-like grid of greenbacks called "200 One Dollar Bills," but dealers say expectations of higher financial-industry bonuses are stoking strong bidding.

Sandy Heller, an art adviser who buys for SAC Capital Advisors founder Steve Cohen, says he is taking Wall Street clients to next week's major art fair, Art Basel Miami Beach. "We're not going to Miami so we can buy everything with a credit card," Mr. Heller says, "but as far as a broad mood goes, my clients are feeling more positive."

At dinner parties in late 2008, some Wall Street bankers and traders bemoaned the foolishness of their "top tick" purchases: a $100,000 car, a place in the Hamptons and exclusive country-club memberships. Human-resources departments got requests for low-interest loans to meet monthly expenses of certain employees. **Goldman Sachs Group** Inc. changed how it doled out certain stock grants as a way to get cash into the hands of squeezed employees.

Those nightmares are fading. "In September and October, things started to light up, and November was a fantastic month for bookings," says Tom Smyth, owner of St. Barth Properties, which rents vacation homes on the Caribbean island of St. Barts. A three-bedroom home with an ocean view costs at least $15,000 a week.

Robb Report's December issue featured an offer for buy two silver Mercedes-Benz sports cars: a fully restored 1954 model known as "the Gullwing," for doors hinged at the car's roof, and its 2011 counterpart. With a $1 million price tag, the package sold in 36 hours to a man the magazine won't identify.

More than a dozen people are on a waiting list at London Jewelers, a Long Island retailer that caters to vacationing Wall Street types, for certain watches made by Switzerland's **Patek Philippe** SA that track the moon's phases and cost as much as $200,000.

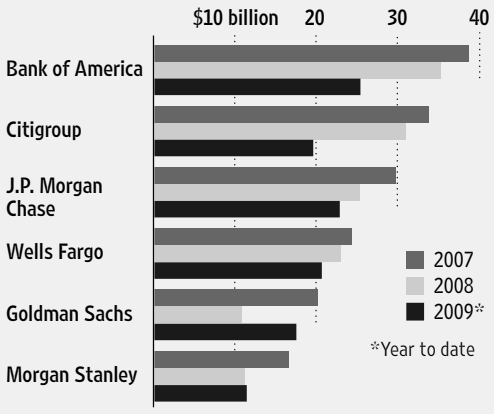
Demand has been gradually rising for months, says Candy Udell, president of London Jewelers. By May, people who delayed big-ticket purchases for fear of looking ostentatious were venturing back into pricey boutiques. "They couldn't hold back any longer," she says.

—Kelly Crow and Liz Rappaport contributed to this article.

On the comeback trail

This year's sharp rebound in compensation at banks and securities firms is starting to lift the New York real-estate market.

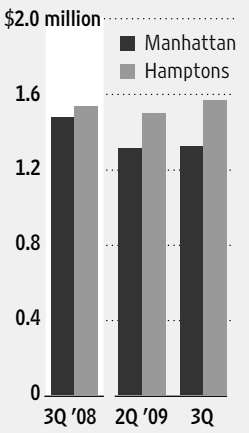
Compensation at the largest bank holding companies



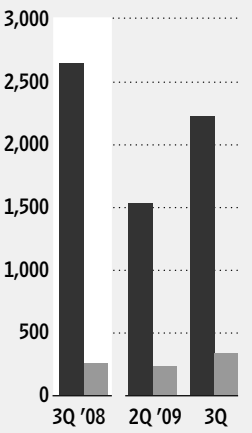
Note: Bank of America includes Merrill Lynch and Countrywide; J.P. Morgan Chase includes Bear Stearns and Washington Mutual; Wells Fargo includes Wachovia

Sources: the companies; New York State Comptroller

Average home sales price



Number of sales



Source: Prudential Douglas Elliman Real Estate

Reserve Fund investors put on same payback stage

By Daisy Maxey

Investors who tried to redeem from the **Reserve Primary Fund** after its net asset value fell will benefit from a judge's order that the fund distribute its assets on a pro-rata basis among its shareholders.

Some investors who submitted redemption requests earlier, and who sought their full $1 a share, however, may appeal the order.

As previously reported, U.S. District Judge Paul Gardephe in New York last week approved for the money-market fund a distribution plan substantially similar to one developed by the Securities and Exchange Commission, which would mean a pro rata distribution of most of the fund's remaining assets.

The once $63 billion Reserve Primary Fund announced Sept. 16, 2008, that it "broke the buck," meaning its net asset value fell below $1 a share, because of its investments in securities of Lehman Brothers Holdings, which had filed for bankruptcy. It currently holds $3.5 billion, plus $785 million in Lehman securities, valued at zero.

Essentially, the judge's order means that investors who requested redemption for their shares at $1 each Sept. 15, 2008, will receive no more than investors who submitted redemption requests after the fund announced that its NAV had fallen.

Ameriprise Financial Inc., which submitted a request Sept. 18, 2008, to redeem all of its clients' assets held in any Reserve fund, believes the decision is fair, said Robert Skinner, an attorney with Boston law firm **Ropes & Gray**, which is representing Ameriprise. "I think it is certainly a win for the shareholders who didn't have the same opportunity as others did to have an early withdrawal from the fund."

Ameriprise had $1.2 billion of its clients' assets and $100 million of its own money in the Reserve Primary Fund, and Securities America, its independent broker-dealer subsidiary, had about $2 billion of its clients' assets and about $28 million of its own money in the fund, according to Mr. Skinner. A substantial portion of that money has already been distributed by the fund.

In contrast, distributions made to investors for a portion of their shares at $1 each Sept. 15, 2008, will be offset so that those investors get no more per share than other investors, according to the judge's order. That means that investors like **Deutsche Bank** AG and **E*Trade Financial** Corp. , which made redemption requests before the fund's NAV dipped, won't receive $1 a share.

Deutsche Bank had no comment on the order. E*Trade didn't return calls seeking comment Friday.

SEC Chairwoman Mary Schapiro, said in a statement Wednesday that the regulator is pleased with the court's order.

The SEC's goal was to return money to investors as quickly and fairly as possible and avoid "the extended quagmire of litigation," she said. It advocated a pro rata distribution plan "that provides an equal payout to all shareholders who have not had their redemption requests fulfilled, regardless of when they submitted those redemption requests," she said. "It is estimated by the Reserve [Primary] Fund that the amount to be returned would be 99 cents on the dollar, or more."

Reserve Management Co., the fund's adviser, didn't return calls seeking comment Friday.

Hedge funds are on track for banner year

By William Hutchings

Hedge funds are poised to register their best investment returns for a decade, staging a remarkable turnaround as some of last year's worst-performing funds reach the top of the tables.

Figures published by data provider Hedge Fund Research show the industry was up 18.81% to Nov. 24, based on its non-investable and investable indexes. A return of just 0.63% between now and the end of the year will take the industry's returns past the level registered in 2003 and make this the best year since 1999.

HEDGE FUNDS

Still, this record performance would follow what was a horrible 2008 for most hedge-fund investors. And consultants said several funds that did well this year were among last year's worst performers, and vice versa.

This year's best performing hedge funds, according to investors, included the $40 million distressed-debt fund run by **Turnberry Capital International**, which was up 130.69% to the end of October. Last year, it was one of the worst performers, losing 68.71%. Turnberry declined to comment.

"Things are not as good for investors as the figures suggest," said Robert Howie, a principal at investment consultant Mercer. "The hedge fund indices do not show funds that stopped disclosing their performance and many investors are still trying to get their money back from funds that imposed gates."

The best-performing categories so far this year include convertible arbitrage, emerging markets, corporate bond hedge funds and relative value funds, according to Hedge Fund Research.

Categories that have lost money include short-biased funds and managed futures funds.

Hedge Fund Research's fund-of-hedge-funds index is up only 9.75% for the year to the end of October.

"Hedge funds will easily beat the 10-year record. The question is, why are the funds of hedge funds eight percentage points below their benchmark?" said Richard Watkins, chief executive of hedge-fund placement agent Liability Solutions.

The $3.3 billion (€2.2 billion) Palomino long/short credit fund run by Dave Tepper, founder of **Appaloosa Capital**, was up 114.43% to the end of September. "It's a little higher than that now, but not much," Mr. Tepper said.

The €100 million ($149.7 million) Henderson long/short European equity fund, run by Stephen Peak, was up 113% for the year to Nov. 20. Henderson didn't return calls seeking comment.

Among the worst performers this year, according to investors, was the $30 million **Ursa Offshore Limited** short-bias fund run by Sanford Colen and Daniel S. Katz. It was down 32.88% for the year to the end of October, but was one of the best performers last year, with a return of 41.38%. Its managers couldn't be reached for comment.

The $2.9 billion **Horseman Global** long/short equity fund run by John Horseman was down 23.76% for the year to Nov. 25, having made 31.27% last year. Horseman Capital Management couldn't be reached for comment.

HEARD ON THE STREET

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The shifting Sands

Superlatives are out. Not just in Dubai.

Sands China, the Macau casinos of **Las Vegas Sands**, debuted to a dismal reception Monday. Shares dropped 10%, while the broad market, and most Macau-related, stocks jumped.

It's little wonder. The company may own the Venetian Macao, the world's biggest casino, and aspire to build Macau's answer to the Las Vegas Strip on a patch of reclaimed land, but it is heavily indebted and still borrowing. Much of the proceeds from the $2.5 billion initial public offering will go toward paying off loans most urgently due, but Sands will still be left with some $3.1 billion in debt, Credit Suisse estimates.

For a business that's already proved to be susceptible to changing economic and policy winds from China, this is enough to make investors think twice.

News from Dubai served as a timely reminder of how quickly things can unravel for companies depending on borrowed funds.

A particular concern comes with the company's plan to develop the Cotai area. Sands wants to build five integrated resorts. It plans to spend $2.2 billion toward completing the first two phases of this, $500 million of which is coming from the IPO proceeds. Factor in the cost overruns and delays that are "quite famous in Macau" and more financing may be in order, says Credit Suisse analyst Gabriel Chan.

There has been good news from Macau lately. Visitor numbers are recovering, and Moody's thinks revenues could climb 10% to 15% in the year ahead. But gamblers returning to Macau are fueled by easy credit on the mainland—from where most of the territory's visitors hail—and this is susceptible to tightening by Beijing. Already, a different kind of policy risk—visa restrictions that limit the number of times gamblers from the mainland can visit Macau—has given investors something to worry about.

Sands China was never an easy sell. The listing fell short of early hopes it would raise $3.5 billion, and priced at the bottom of its indicated range, with little of the over-the-top interest that has characterized some Hong Kong listings.

And that was before the implosion of another glitzy, credit-fueled, biggest-in-the-world playground for the rich.

—Mohammed Hadi

China's undriven automobiles

When it comes to Chinese data, even the most clear-cut stories aren't as simple as they seem.

Auto sales are the latest figures to draw a quizzical look. There's no doubt they've been rising fast. The explanation seems straightforward enough. At the beginning of the year, Beijing cut the sales tax for some cars.

Not so fast, cry those who have noticed a kink in the story. While auto demand has surged, sales of gasoline are broadly flat.

The discrepancy has spurred the conspiracy theorists into action. Their line is local governments and state-owned enterprises have been buying cars to support local auto makers, without actually using them.

There are better ways to explain the data difficulties. Small vehicles are 69% of China's car sales this year, up from 64% last year. This isn't a surprise, considering the car sales-tax cut applied to vehicles running on 1.6-liter engines or less. The authorities, meanwhile, raised the sales tax on cars with 2.5-liter engines or above.

High gas costs also might be discouraging new car buyers from driving. As Standard Chartered Research points out, gasoline is 20% more expensive in China than it was two years ago.

To be sure, sometimes the craziest theories about China turn out to be true. There's good reason to believe this isn't one of those occasions.

—Andrew Peaple

Ratings agencies find their voices

Are the mice finally roaring?

The credit crunch showed that ratings firms missed huge swaths of risk embedded in the economy and securities markets. But, recently, **Standard & Poor's**, **Moody's Investors Service** and **Fitch Ratings** have produced research or made decisions that exhibit an encouraging level of independence.

If the trend continues, ratings firms could become a valuable counterweight to corporate management, Wall Street analysts—and even government regulators.

Take a recent S&P report that calculated the firm's own measure of capital levels at large banks. Using its own approach, S&P calculated risk-adjusted capital ratios that were substantially lower than ratios determined by official regulatory approaches. This, of course, raises questions about the reliability of the official measures. Granted, the widely used Basel II capital regime is being made stricter. But even after such changes, S&P's approach could still be tougher, the ratings firm estimates.

Moody's also caused a stir last month with research showing that banks face a high level of debt coming due over the next three years. And a separate Moody's piece on heightened credit distress at companies involved in private-equity transactions drew ire from the industry.

Meanwhile, Fitch made few friends, and perhaps lost revenue, by recently declining to rate repackaged securitizations of Alt-A mortgages. The firm cited volatility in the amount of past-due loans.

Will the ratings firms continue in this vein? That partly depends on whether enough independent-minded people have been drafted into top positions. On that score, S&P's hiring last year of Mark Adelson as chief credit officer has likely added rigor to the firm's ratings, says Joseph Mason, a professor at Louisiana State University and a frequent critic of ratings-firm practices.

> Fitch declined to rate repackaged securitizations ofAlt-A loans.

Welcome changes could be entrenched and extended if a tough ratings-company bill currently in Congress becomes law. The House Committee on Financial Services approved it at the end of October.

Of course, in easy-money times, investors will tend to ignore skeptical research and follow the latest Wall Street pitch. But if the ratings firms' new-found rigor had been in place in 2005, the credit bubble may not have become as dangerous as it did.

—Peter Eavis

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MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Monday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

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Asian index movers...

Nikkei Stock Average
Japan 9345.55
▲ **2.91% or 264.03**

The index's rise was aided by hopes that government officials are contemplating using fresh stimuli to blunt the impact of the yen's rise.

Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**302.70**	162	14	9.46
Mtshbsh Fin Grp	**168.53**	482	38	8.56
NEC	**98.76**	218	8	3.81
Toshiba	**54.47**	458	29	6.76
Nomura Hldgs	**51.11**	622	30	5.07

CBN 600
China 28568.19
▲ **3.90% or 1,072.50**

Banks and retailers led the advance on Beijing's pledge to maintain supportive economic policies and on easing concerns about Dubai's debt crisis.

Stock	Volume in millions	Close	Change Net	Change %
China State Con	**398.34**	4.89	0.10	2.09
South Locomotive	**329.01**	5.86	0.46	8.52
HaitongSecs	**219.14**	16.06	1.46	10.00
Icbc	**218.96**	5.23	0.05	0.97
ChinaMinshengBkg	**216.55**	7.70	0.17	2.26

Hang Seng
Hong Kong 21821.50
▲ **3.25% or 687.00**

Shares rebounded, with HSBC and Standard Chartered staging strong recoveries. Casino operator Sands China's debut was weak because of debt and valuation concerns.

Stock	Volume in millions	Close	Change Net	Change %
Bank Of China	**463.06**	4.37	0.24	5.81
Icbc	**419.69**	6.55	0.29	4.63
CCB	**357.26**	6.90	0.34	5.18
ChinaPetroChem	**140.25**	6.45	0.10	1.57
PetroChina	**110.61**	9.60	0.22	2.35

ASX 200
Australia 4701.35
▲ **2.83% or 129.28**

Shares gained after the United Arab Emirates moved to provide extra liquidity for banks in Dubai, easing fears about Dubai's debt woes.

Stock	Volume in millions	Close	Change Net	Change %
Elders Limited	**66.41**	0.15	0.01	3.45
Boart Longyear	**60.54**	0.32	0.01	3.28
Goodman Grp-Stpl	**51.81**	0.60	0.02	2.56
Telstra	**48.96**	3.41	0.02	0.59
GPT Group	**34.11**	0.60	0.02	2.59

Asian stocks in the news

Toshiba
Japan ¥458
▲ **6.8% or ¥29**

Japanese exporters, which have been hard hit by recent strength in the yen, got some relief.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-9.40**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**2.8%**	0.1%	46.0%
Toshiba	**6.8%**	1.6%	39.2%

Panasonic Elec Works
Japan ¥989
▲ **7.0% or ¥65**

The company's shares recovered losses from previous sessions.

Price-to-earnings ratio	**106**
Earnings per share, past four quarters	**9.30**
Dividend yield	**1.3**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Constructn & Matl	**2.9%**	-2.6%	40.5%
Panasonic Elec Works	**7.0%**	0.4%	28.3%

Mitsui Fudosan
Japan ¥1,490
▲ **8.0% or ¥110**

Real-estate stocks gained after the sector fell last week on fears over the tough business climate.

Price-to-earnings ratio	**27**
Earnings per share, past four quarters	**56.20**
Dividend yield	**1.5**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**3.5%**	-0.1%	45.8%
Mitsui Fudosan	**8.0%**	3.8%	6.5%

Mitsubishi UFJ Finl
Japan ¥482
▲ **8.6% or ¥38**

Shares rose as most financial stocks in the region rebounded from Friday's selloff.

Price-to-earnings ratio	**19**
Earnings per share, past four quarters	**25.80**
Dividend yield	**2.5**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**4.4%**	-1.8%	43.6%
Mitsubishi UFJ Finl	**8.6%**	2.3%	-5.3%

Sumitomo Mitsui Finl
Japan ¥2,850
▲ **8.8% or ¥230**

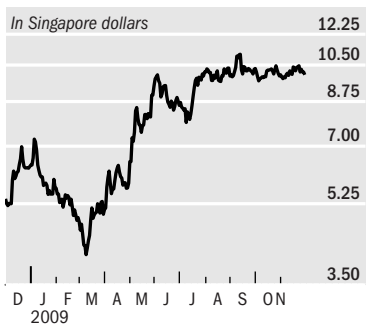
Shares gained as banks advanced on short-covering as concerns over Dubai's debt crisis eased.

Price-to-earnings ratio	**13**
Earnings per share, past four quarters	**216.20**
Dividend yield	**3.2**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**4.4%**	-1.8%	43.6%
Sumitomo Mitsui Finl	**8.8%**	1.2%	-17.9%

City Devs
Singapore S$10.00
▼ **1.4% or S$0.14**

Shares fell on news of debt problems with its joint-venture partner Dubai World.

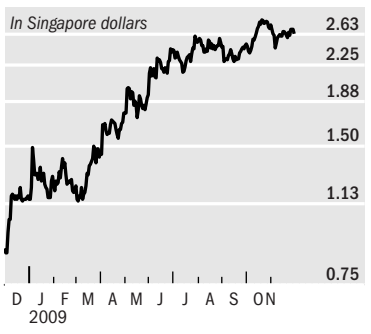


Price-to-earnings ratio	**18**
Earnings per share, past four quarters	**0.55**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Travel & Leisure	**2.7%**	2.5%	13.5%
City Devs	**-1.4%**	-4.4%	85.9%

Olam Intl
Singapore S$2.63
▼ **2.2% or S$0.06**

The company slipped, tracking weak sentiment toward commodity stocks.

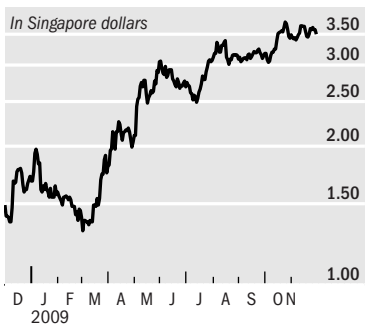


Price-to-earnings ratio	**18**
Earnings per share, past four quarters	**0.15**
Dividend yield	**1.3**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Food & Beverage	**2.2%**	1.6%	39.2%
Olam Intl	**-2.2%**	-0.8%	192.2%

SembCorp Marine
Singapore S$3.50
▼ **2.2% or S$0.08**

The rig builder declined as the sector fell in line with weak sentiment in equities.

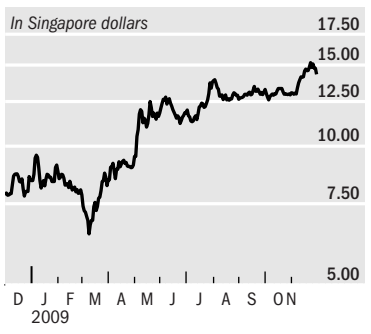


Price-to-earnings ratio	**15**
Earnings per share, past four quarters	**0.23**
Dividend yield	**3.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**2.8%**	0.1%	46.0%
SembCorp Marine	**-2.2%**	-2.8%	134.9%

DBS Grp Hldgs
Singapore S$14.32
▼ **3.0% or S$0.44**

Shares dropped on concerns about the lender's exposure to Dubai's debt problems.

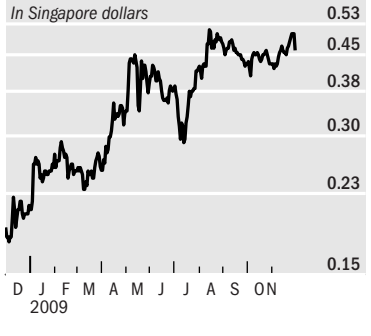


Price-to-earnings ratio	**17**
Earnings per share, past four quarters	**0.85**
Dividend yield	**3.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**4.4%**	-1.8%	43.6%
DBS Grp Hldgs	**-3.0%**	-5.7%	83.0%

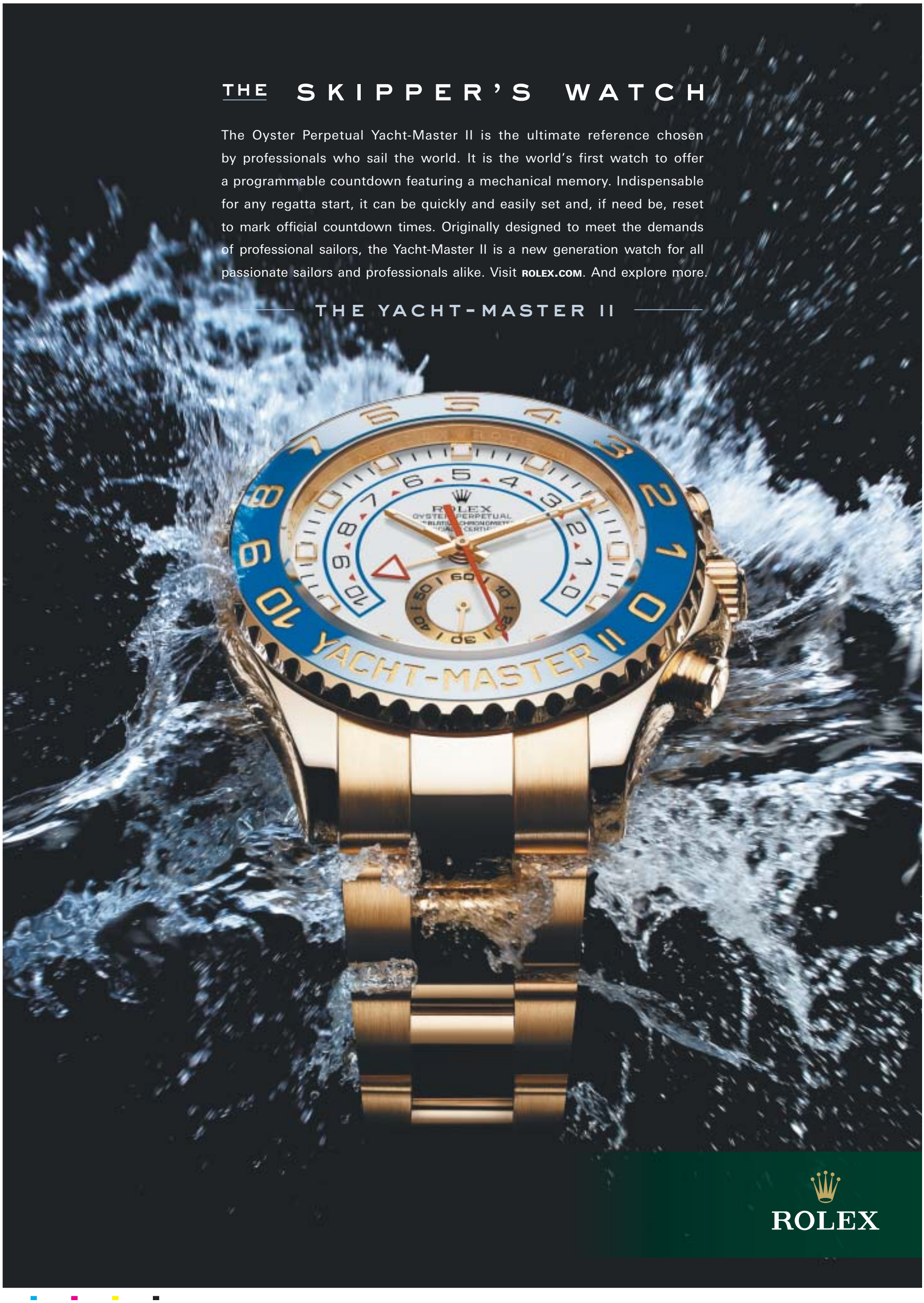
Golden Agri-Resources
Singapore S$0.46
▼ **8.0% or S$0.04**

The company dropped as it tracked the weakness in the market and on profit-taking.



Price-to-earnings ratio	**9**
Earnings per share, past four quarters	**0.05**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Food & Beverage	**2.2%**	1.6%	39.2%
Golden Agri-Resources	**-8.0%**	-4.2%	142.3%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Published by Dow Jones Publishing Company (Asia), Printed in Hong Kong by Superflag Advertising and Communication Limited, 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1, Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo, 7, Soonwha-Dong, Chung-Ku, Seoul 100-130. 1997 June 04 Registration no.: SeoulKA00020 (Daily Newspaper). Publisher/Editor/Printer: Song, Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No: 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Miel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3817 Mascario St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (K.M. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd. 517B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida 201301 and PLOT No.EL208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-116462 0215. ACP no. F-2 (1/3) Press / 2009 FACSIMILE EDITION.